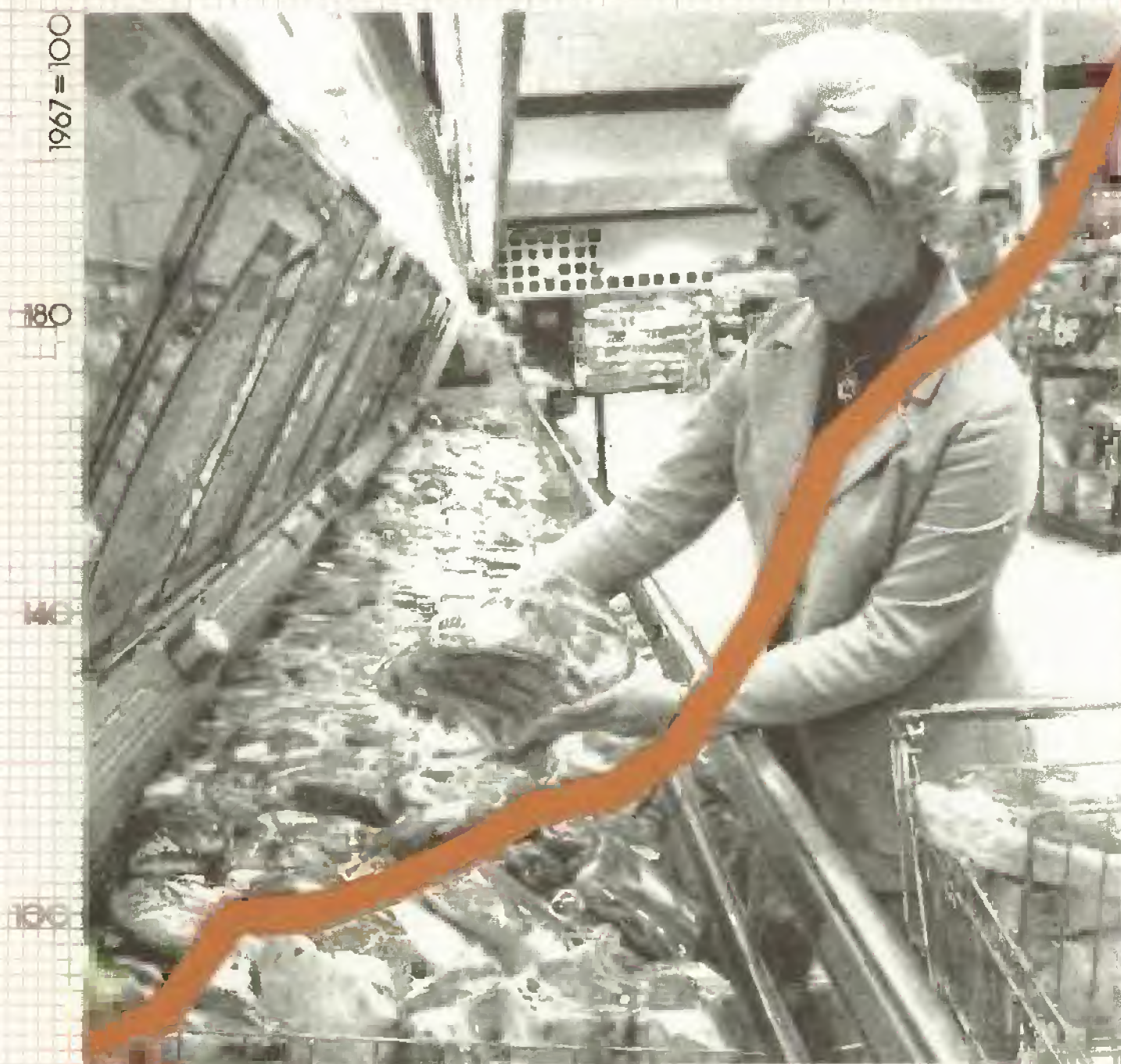


AGRICULTURAL OUTLOOK

USDA • ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE • NO. 40



RETAIL FOOD PRICES AT GROCERY STORES (1964-78)

JANUARY-FEBRUARY 1979



January-February 1979/AO-40

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Food prices are likely to increase less in 1979 than they did last year when they climbed 10 percent. However, last year's net farm income gains may be difficult to sustain. Latest data put 1978 net farm earnings at \$28 billion, the second highest on record.
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Although cash receipts are likely to increase in 1979, particularly for livestock, inflation will continue to push up the cost of production inputs as well as family living costs and eliminate much of producers' real purchasing power. Thus, it will be difficult for 1979 net farm income to match levels achieved last year.
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Food prices are higher this winter as a result of some food crop damage and temporary supply interruptions caused by bad weather. However, a gradual moderation in food price pressures is expected as the year progresses.
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The outlook for the U.S. economy is for some slackening in the growth rate, especially during the second half of the year. However, net exports of goods and services should improve substantially as the U.S. economy slows relative to the rest of the industrialized world. Also, the current value of the dollar is giving U.S. exports an edge in world markets.
- 9 World Agriculture and Trade**
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The Multinational Trade Negotiations appear to be nearing an end after 4 years of talks, and the new Congress will be asked to ratify the agreement sometime this year. Other important issues on the policy agenda are a comprehensive disaster insurance program for farmers and a revised version of a countercyclical meat quota bill.
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Outlook in Brief

Growth in the U.S. economy proved to be more rapid and farm income higher than expected in the fourth quarter of 1978.

While this strength will continue into 1979, the rate of economic growth is expected to slow later in the year. Cash receipts and production expenses will both increase and net farm income gains may be difficult to sustain.

Food prices increased 10 percent last year, mainly in response to growth in real income, higher farm prices, and inflationary pressures in the economy. Specific supply factors contributing to the higher prices were reduced supplies of beef, and fruits and vegetables. Severe weather slowed expansion of pork production (which had been encouraged by favorable price relationships) and reduced fruit and vegetable supplies.

Consumer demand for food will remain strong in 1979. Prices will continue to increase, but more slowly than in 1978.

Record world grain crops have resulted in large supplies. Stable feed costs and higher livestock prices are encouraging farmers to continue expansion of livestock and poultry feeding.

The value of U.S. farm commodity exports increased 14 percent in fiscal 1978, to a record \$27.3 billion. Agricultural imports were \$13.9 billion; the agricultural trade surplus widened to \$13.4 billion. Gains in shipments of wheat, soybeans, feed grains, and oilseed products led the 17-percent increase in volume.

Exports in fiscal 1979 are expected to increase to most regions of the world except the USSR. U.S. agricultural exports are expected to be around \$29 billion.

Here are some of the current developments that could affect farm income and food prices in 1979.

Farrowing Intentions Foreshadow More Pork

The December Hogs and Pigs report indicated that 6 percent more sows farrowed during the second half of 1978, and that 15 percent more will farrow in the first half of 1979. If these intentions are realized, pork production will increase of 10 percent over last year, with retail prices expected to decrease about 1 percent.

The likelihood of larger pork supplies could dampen some of the planned expansion in broilers. Lower pork prices mean lower broiler prices, even though the increase in broiler production may be less than formerly expected.

Bad Weather Disrupts Production and Markets

A freeze in the West and in Texas and rain in the Imperial Valley has damaged winter fruit and vegetable crops and raised prices. Although the effect was temporary, it increased the price forecasts for 1979. Winter storms in the Midwest have delayed marketings, created transportation problems for some commodities, and temporarily reduced livestock production.

Recognition of China To Boost U.S. Exports Over Long Run

U.S. recognition of China will, in time, expand U.S.-China trade. However, there will be little immediate effect on Chinese imports of U.S. farm products because gradually improving political relations had already led to increased trade.

Cessation of diplomatic relations with Taiwan is not expected to halt the upward trend in U.S. farm exports to that island.

The value of U.S. shipments to Taiwan is expected to increase from the \$729 million in fiscal 1978 to between \$800 million and \$1 billion this year. Both the quantity and value of soybeans, corn, cotton, and tobacco exports will increase. Taiwan has sufficient foreign exchange for the purchases and has signed contracts for large shipments.

Large Crops in Prospect This Year

These expected changes in planted acreages in 1979 are based on USDA's January survey in 34 States (adjusted to a 50-State basin):

—Corn plantings up 1 percent from 1978, sorghum down 7 percent, oats off 4 percent, and barley down 8 percent—adding to a total feed grain area of 121 million acres, slightly smaller than in 1978.

—Soybeans up 4 percent to about 66.3 million acres.

—Upland cotton up 6 percent to 14 million acres.

—Total wheat acreage will be larger (winter wheat planted last fall was up 8 percent). Durum up 3 percent and other spring wheat up 2 percent.

(A later assessment of producers' planting intentions will be released on April 16).

Another year of large crops is probable if producers follow their January intentions and weather during the growing season is conducive to good yields. Set-aside and diversion programs for 1979 are similar to those of 1978, and their provisions have been announced. Price relationships among crops, and field conditions this spring are the main determinants of final planting decisions.

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1976	1977	1978					1979		
	Annual	Annual	I	II	III	IV ¹	Annual	I	II	Annual ²
								Forecast		Range
Prices received by farmers (1967=100)	186	183	193	214	214	219	210	220	219	215-228
Livestock and Products (1967=100)	177	175	195	215	220	232	216	232	230	225-245
Crops (1967=100)	197	192	192	212	207	203	203	208	207	195-215
Prices paid by farmers, all items (1967=100)	191	202	211	218	221	225	219	230	233	230-236
Production items (1967=100) ³	198	208	218	226	228	232	226	238	241	237-245
Farm production (1967=100)	117	121	—	—	—	—	122	—	—	—
Livestock and Products (1967=100)	105	106	—	—	—	—	108	—	—	—
Crops (1967=100)	121	129	—	—	—	—	131	—	—	—
Farm income⁴										
Cash receipts (\$ bil.)	94.5	96.1	104.6	109.3	108.0	118.0	110.0	115	114	110-120
Livestock (\$ bil.)	46.2	47.6	52.7	57.4	57.7	64.0	58.0	62	61	60-65
Crops (\$ bil.)	48.3	48.5	51.9	51.9	50.3	54.0	52.0	54	53	50-55
Gross farm income (\$ bil.)	104.1	108.1	118.3	123.0	121.3	133.0	123.9	129	128	123-135
Production expenses (\$ bil.)	83.0	88.0	92.5	95.0	94.5	101.3	95.8	102	104	100-106
Net income before inventory adjustment (\$ bil.)	21.1	20.1	25.8	28.0	26.8	31.7	28.1	26	25	23-29
Net income after inventory adjustment (\$ bil.) ⁵	18.8	20.6	26.3	28.0	26.8	32.0	28.3	27	25	23-29
Market basket:⁶										
Retail cost (1967=100)	175.4	179.2	188.1	199.1	204.2	206.2	199.4	212	214	211-219
Farm value (1967=100)	177.8	178.1	191.2	211.1	213.2	213.8	207.4	221	217	216-228
Spread (1967=100)	174.0	180.0	186.1	191.8	198.7	201.6	194.5	206	212	208-213
Farm value/retail cost (%)	38	38	38	40	39	39	39	39	38	39-40
Retail prices:										
Food (1967=100)	180.8	192.2	201.8	210.5	215.3	218	211	222	225	224-232
At home (1967=100)	179.5	190.2	199.9	210.0	214.4	216	210	221	224	223-230
Away from home (1967=100)	186.1	200.3	210.3	215.9	221.6	227	219	230	234	234-240
Per capita food use (1967=100)	105.3	104.4	—	—	—	—	104.3	—	—	104-105
Animal-products (1967=100) ⁷	103.6	103.3	101.0	100.3	100.9	104.4	102.3	100.6	100.7	101-103
Crop-products (1967=100)	107.2	105.7	—	—	—	—	106.5	—	—	106-108
Agricultural exports (\$ bil.) ⁸	22.8	24.0	6.1	6.5	7.9	6.8	27.3	8.2	7.5	26-32
Agricultural imports (\$ bil.) ⁹	10.5	13.4	3.0	3.9	3.4	3.6	13.9	3.9	3.6	13-15

¹ Preliminary. ² The chances are 2 out of 3 that the final outcome will fall within this range. ³ Including interest, wages, and taxes. ⁴ Quarterly data are seasonally adjusted at annual rates; 1978 data are preliminary estimates. ⁵ Includes net change in farm inventories. ⁶ Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. ⁷ Quarterly data exclude fish products. ⁸ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar years, i.e. IV 1977 means July-Sept. 1977, I 1978 means Oct.-Dec. 1977, etc.

Outlook '80 Slated For Early November

Watch for OUTLOOK '80—your source for the most up-to-date forecasts of what's going to happen to food and agriculture next year. Scheduled to run November 5 through 8 in Washington, D.C., the 1978 Food and Agricultural Outlook Conference will include a comprehensive look at foreign trade prospects, among other topics.

Outlook sessions will focus on the latest thinking on the U.S. and general economies, world trade, weather, retail food supplies and prices, implications of farm and food policy, food marketing and distribution, and food and diets. Details regarding the outlook for major farm commodities will be discussed in separate sessions, and there will also be discussions on costs and supplies of farm production items on natural resources and the environment, and on how outlook information is derived.

For more information on Outlook '80, contact Alan Bird (202) 447-8848. The Conference is open to the public and there is no charge to attend.

Statistics Yearbook Issued

Need a wrap-up of the latest data on agricultural production, prices, supplies, consumption, costs, and income?

USDA's newest statistical yearbook, which contains over 600 pages, brings together statistical series that appear in other USDA publications. The handy reference book also includes data on stabilization and price support programs, soil conservation, food programs, and loans.

Copies of *Agricultural Statistics, 1978*, are available for \$6 each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. Make checks payable to "Superintendent of Documents." Please include your zip-code with your address.

February Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Vegetable	Feb. 2
Fats & Oils	Feb. 8
Wheat	Feb. 12
Sugar & Sweetener	Feb. 13
Livestock & Meat	Feb. 14
Export Outlook	Feb. 16
Feed	Feb. 21
Cotton & Wool	Feb. 23

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



Income

The first estimate of 1978 net farm income before inventory adjustments is **\$28.1 billion**—\$1.8 billion or 7 percent more than the November forecast. This estimate is based on data through January 12 and includes 1978 December and annual crop estimates, agricultural prices, and sales data for inputs.

A small increase is now expected in the inventory, putting after-inventory income at **\$28.3 billion**. This is the second largest net farm income on record.

Off-farm income continues to increase. For 1978, it probably reached a record **\$32 to \$35 billion**—up from **\$31.4 billion** in 1977. When combined with net farm income, the total for 1978 reached a record—near **\$62 billion**. The previous record was **\$57.1 billion** in 1973.

Explanation of Changes From November Forecasts

—Livestock receipts up primarily because of higher prices . . . cattle and dairy up \$100 million each.

—Crop receipts up primarily because receipts for fruits, nuts, vegetables, and miscellaneous crops were about **\$1.0 billion** more than earlier forecast.

—Greater nonmoney income increases from higher rental values for dwellings and higher values for home-consumed livestock products.

—Expenses down slightly from earlier forecasts primarily as a result of real estate taxes, primarily in California.

—Farmer-owned crop inventories are now estimated **\$1.0 billion** larger than previously forecast.

—Value of livestock inventory up **\$200 million**, primarily because the December Hogs and Pigs Report showed more hogs on hand at year end.

1978 Farm Income Estimates Are Still Preliminary

The 1978 farm income estimates will be reexamined based on information released by USDA's Crop Reporting Board. More key crop and livestock data for the past year will become available in April and analyzed in May and June. These data may require revised income estimates for 1978.

1979 Cash Receipts Could Top Last Year's

Cash receipts are forecast to be as high or higher than the **\$110 billion** now estimated for 1978, with a likely total of **\$110 to \$120 billion**.

—Crop receipts are projected to be within several billion of the **\$52 billion** estimated for 1978. Variations in soybean prices could cause considerable changes in crop receipts.

—Livestock receipts are forecast in the **\$60 to \$65 billion** range, considerably higher than 1978. More hogs on the market will likely cause lower hog prices, but the increased quantity will raise receipts 2 to 3 percent. Prices for fed cattle are forecast higher than last fall and cattle and calf receipts should show another strong gain over a year earlier.

—Direct government payments are likely to be midway between the **\$1.8 and \$3.0 billion** of the last 2 years. Higher market prices will reduce deficiency payments for the 1978 crops.

1979 Production Expenses Higher

Production expenses are forecast to rise above 1978 levels into the **\$101 to \$106 billion** range.

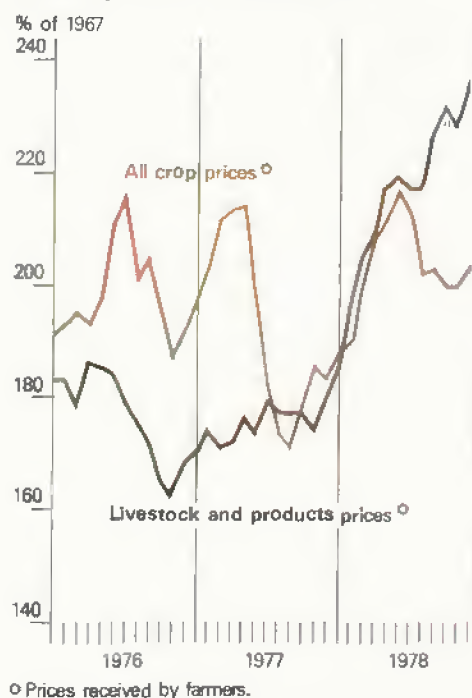
—Increased animal feeding for the second year in a row will cause feed expenditures to rise 7 percent above last year to about **\$15 billion**.

—Interest rates are up, debt is higher, thus interest payments are expected to increase faster than most other expenses to at least **\$11 billion**, 20 percent above 1978.

—Because of greater total investment in plant and equipment and higher replacement costs, depreciation allowances may rise to **\$19 billion**, up 12 percent from the **\$17 billion** in 1978. New investment in farm plant and equipment is expected to exceed depreciation allowances as it has in recent years. Prices of farm machinery will be 5 to 8 percent higher than in 1978.

—Real estate and personal property taxes will exceed **\$4 billion** this year. These taxes have been rising steadily mainly because of higher assessed values. The rise last year was

Prices Up a Fifth From Last Year



the slowest in many years, primarily because of the effects of Proposition 13 on California real estate taxes.

Fuel Expenses To Rise 10 to 13 Percent

Because of higher prices, fuel expenses are forecast to increase 10 to 13 percent from the \$3.9 billion level of 1978. The OPEC price increase of 14.5 percent over the 1978 level, to go into effect by October 1 will be passed through refiners into the blend prices for gasoline, diesel oil, and home heating fuels.

The OPEC price increase will add 6 to 7 percent to the refinery price of oil products and 3 to 4 cents a gallon for gasoline or diesel at retail by end of 1979. The retail prices of refined fuels are expected to rise an additional 2 cents a gallon because of the regulated pass-through of increased refining costs. (For other impacts of world oil price increases see "Our Expanding Exports to OPEC").

Thus, retail gasoline and diesel prices will rise at least 5 to 6 cents a gallon by the fourth quarter. This means that by next fall the average prices farmers pay per gallon for bulk delivery of leaded gasoline will have increased since January from 63.6 cents to 68 to 70 cents and for diesel from 49.2 to 54 to 55 cents.

Fertilizer Expenses Increase Less Than Fuel

A small increase in prices and use in 1979 will raise fertilizer expenses 4 percent above 1978, bringing them again to the \$6 billion level of 1977.

Potash prices will increase about 5.4 percent. Prices will be higher for phosphate rock diammonium phosphate because of strong export demand. However, little growth in demand for nitrogen is expected. Large inventories and increased availability of supplies from foreign sources (Mexico, for

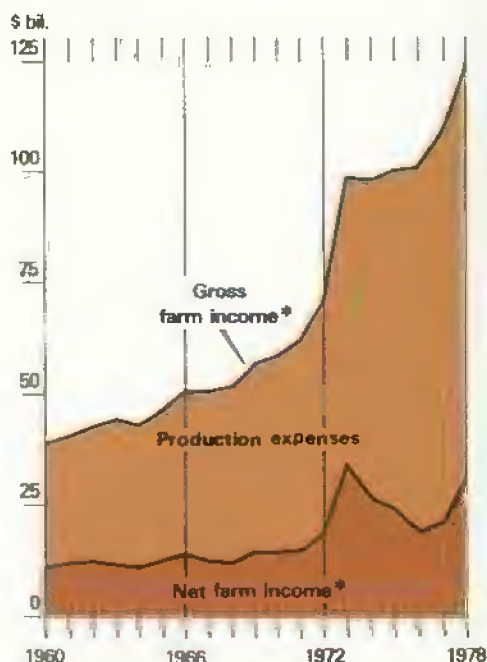
example; see Mexican Oil and Agriculture) will prevent significant price increases.

Pesticide expenses are forecast at \$2.2 billion, 10 percent greater than 1978. Herbicide use will increase because increased broadcast application will increase per acre usage rates. Availability of new products that are well adapted to mixing and which offer improved performance and versatility will stimulate larger consumption. Because insect infestations were less than usual last season, insecticide use can be expected to increase this year.

Net Income Gains May Be Difficult to Sustain

Uncertainties such as weather, inflation, global economic conditions, and price and availability of energy, mandate caution in forecasting U.S. farm income during 1979. Although cash receipts are likely to increase, particularly for livestock producers, inflation will continue to push up the cost of production inputs as well as family living costs and eliminate much of producers' real purchasing power. Thus, it will be difficult for 1979 net farm income to match levels achieved in 1978.

Net Farm Income Second Highest on Record



* Includes change in farm inventories.

USDA's Transportation Services Strengthened

USDA recently consolidated transportation activities from six different agencies into a single unit in order to provide better service to farmers and reduce duplication of efforts.

The new Office of Transportation will serve as a focal point for all USDA transportation matters, including the development of agricultural and rural development transportation policy and the review, coordination and evaluation of USDA transportation programs. The new office also will represent USDA in discussions of transportation matters, including those with other government agencies.

Future Railcar Needs Studied

Increasing domestic and foreign demand for U.S. grains points up the need to improve our railcar transportation system, a recent USDA study shows. It indicates that rails' share of the total grain movement is estimated to reach 116 million tons by 1985, out of a total of 119.9 million tons. This would be 12 million more than the 1977/78 marketing season when several grain car shortages occurred. By the year 2000, the study notes, grain sold off the farm is expected to reach 414 million tons (or 156 tons over the 1977/78 level) and rails' share of the grains moved off farms should reach 165 million tons. Single copies of the report are available from Agricultural Marketing Service, Rm. 3620-S, USDA, Washington, D.C. 20250. Ask for "Future Railcar Needs for U.S. Grain Movements."



Food Price Update

The first food price forecasts for 1979 (published in the November issue) were prepared in late October. Since then, several events have occurred and additional information has become available, however updated forecasts show that the original forecast has not substantially changed.

Outlook for 1979

Retail food prices in 1979 will again increase substantially within the range of 6 to 10 percent. But the rapid rates of 1978 will not be repeated. The current assessment indicates a retail food price increase around 7½ percent for the year which would suggest that the rate of price increase will be moderating through the year.

These forecasts reflect the latest available estimates of an approximate 7 to 8 percent rate of inflation in the general economy and a 4 to 10 percent increase in farm product prices.

Forecast Conditioning Factors

Numerous factors can emerge which may significantly alter prices in 1979. The four major uncertainties in the food price outlook for 1979 are general economic conditions, the costs of marketing services, meat supplies and prices, and the weather.

Developments in the economy will affect both the supply and demand for food. Government policy and inflation will be important. The January tax cut, an increase

in social security taxes, and an increase in minimum wage rates will each have an effect on food prices.

Marketing costs are likely to add to food price increases. Uncertainties exist about the extent of increasing labor and transportation costs.

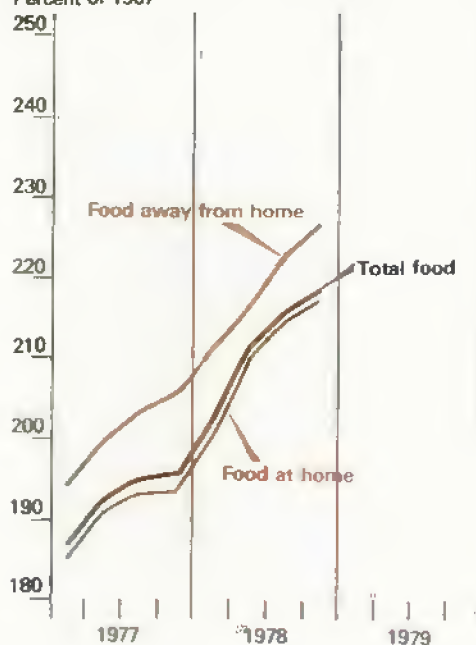
The labor cost component accounts for 46 percent of the marketing bill and increased 10 percent in 1978. Wage negotiations for retailers will occur throughout the year in different localities. Major negotiations will take place for fruit and vegetable processors in California in the second quarter of 1979 and for meat cutters in the third quarter.

Transportation charges for farm products increased 7.1 percent in 1978 and rail rates for food products climbed 7.5 percent. Additional rail rate increases were recently approved by the Interstate Commerce Commission.

Severe weather has always played a large part in farm price movements, and thus, retail prices. Changes in weather, even temporary changes, have an immediate impact on spot and futures prices. These effects, even if temporary, can influence general outlook and economic behavior.

Retail Food Prices Continue to Rise

Percent of 1967



Review of 1978

The All Food Consumer Price Index (CPI-U) for 1978 averaged 10 percent above the 1977 level. This is the largest annual increase in food prices since 1974, and the third largest increase since 1960.

Most of the increase occurred in the first half of the year with prices moderating significantly by the second half of the year. From December 1977 to June 1978 prices increased at a seasonally adjusted annual rate (SAAR) of 18.4 percent. Farm prices rose 20 percent and accounted for three-fifths of this rise. Marketing spreads contributed one third and higher prices for fish and imported foods, the remainder.

During the last half of the year, the rate of change in the all food index slowed to 5.4 percent (SAAR). Farm prices for food products rose only 1.3 percent and accounted for only one-fourth of the rise in grocery store food prices in the second half of 1978. Increases in farm-to-retail price spreads accounted for three-fifths of the rise in food prices. Fish and imports accounted for the remainder.

Weather was a major factor in the large food price increases during the first six months of 1978, especially for red meats, poultry, and fresh fruits and vegetables.

Beef prices had been expected to increase because of reduced beef supplies as we approached the bottom of the cattle cycle. But, a large expansion in pork production was expected to restrain increases in pork prices. However, reduced farrowings, led to only a 0.2 percent increase in pork production. As a result, during the first six months of the year retail prices for beef and veal, pork, and poultry increased sharply and accounted for one-third of the 18.4 percent increase in the prices for all food.

Last winter also brought heavy rains to California and cold weather to Florida, causing reduced production of fresh fruits and vegetables. The result was that fresh fruit and vegetable prices increased 26.5 percent (SAAR) during the first six months. The moderation in food prices began during the third quarter of 1978. For the three-month period ending in September, the all food CPI increased only 3.0 percent (SAAR). This reflected declines in prices for beef and veal, pork, poultry, and eggs.

Food prices during the fourth quarter showed an increase of 7.8 percent (SAAR) from September to December. Livestock product prices, especially for beef and veal, pork, poultry, and eggs showed the largest changes. For crops, there was a decrease of 1.1 percent (SAAR), largely reflecting a decline in fruit and vegetable prices.



Commodity Highlights

Cattle: Cattle on feed at the start of this year totaled about the same as a year earlier. Feeders put 8 percent fewer cattle on feed last fall while they were stepping up marketings 11 percent. Fed cattle marketings during the first half likely will be a little larger than a year earlier, but total beef production will be 3 to 5 percent smaller because of reduced slaughter of cows. Cattle prices may dip a bit in late winter, but they will generally be in the low \$60's in the second half of the year.

Broilers: Good profits in 1978, favorable feed prices, and strong consumer demand will lead to a 7 to 9 percent gain in broiler output this year. First half output will be up 8 to 10 percent with smaller gains in the second half. Wholesale prices will average higher this winter but drop 2 to 3 cents below 1978 prices in the spring because of larger pork and broiler output.

Eggs: A 1 percent increase in egg output is projected for the first half of the year, with much of this increase for hatching eggs for broiler expansion. Egg prices will average 5 to 10 percent above the first half of 1979.

Hogs: Hog farmers have responded to favorable returns and pork supplies will increase substantially in 1979. However, winter pork production may be up only 3 to 5 percent. By spring production probably will run 6 to 8 percent larger than last spring and year-to-year increases may be twice as large in the second half. Hog prices will decline from the current \$52 to \$54 range to about \$40's next fall as supplies increase.

Milk: Favorable milk-feed price relationships are increasing output per cow enough to more than offset the decline in cow numbers. Thus, January-June milk production likely will be about 1 percent or more than a year earlier. However, demand to rebuild low commercial dairy product stocks will boost farm milk prices 10 to 12 percent above January-June 1978.

Citrus: Freezing temperatures in California-Arizona and Texas citrus producing areas this winter reduced citrus supplies and will bolster prices during the remainder of the 1978/79 season. The January 1 estimate of total citrus production dropped 6 percent below last season. The February report will reflect the impact of bad weather during early January.

Corn: The 1978 corn crop was recently revised upward to a record 7.1 billion bushels, 10 percent larger than the 1977 crop. Another large crop is possible this year, if weather is fairly good next summer, because farmers' early plans call for some acreage expansion.

Cotton: Despite a smaller 1978 crop, exports during the 1978/79 marketing year are now expected to total 6 million bales, 0.2 million above the December estimate and 0.5 million above last season's shipments. The upward revision reflects continued strong demand from China, Korea, and Japan, as well as concern that Pakistan will not fulfill its export contracts.

Fresh Vegetables: Winter acreage is 8 percent larger than a year ago. Some damage has been reported to cabbage in Texas following the cold snap in early January, but Florida will take up part of the slack. Rains and a labor dispute interrupted the January harvest of winter lettuce in California, causing a sharp but temporary price rise. The Texas spring onion crop will be delayed but no serious damage has been reported.

Potatoes: The record large 1978 fall crop is posing a serious marketing problem for producers, especially in the Pacific Northwest where Russets predominate. USDA has agreed to pay producers to divert up to 9 million cwt. of Russet potatoes and has already diverted 1.4 million cwt. of round potatoes in Maine for livestock feeding purposes.

Rice: The target price for the 1979 rice crop will be raised to \$9.05 per cwt. while the loan rate will be \$6.79. There will be no acreage setaside, but plantings will decline due to lower market prices associated with the 39 percent larger 1978 crop and large stock buildup.

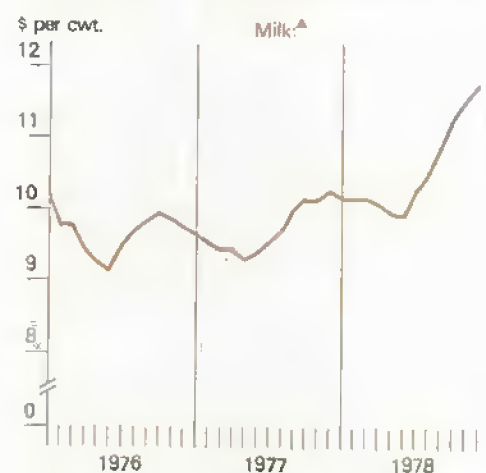
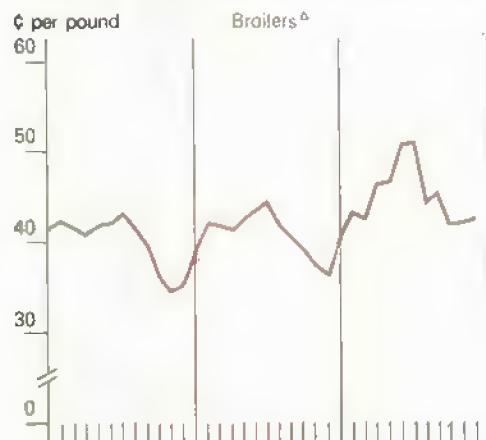
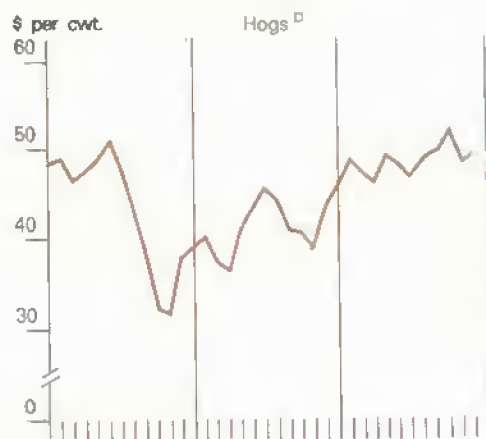
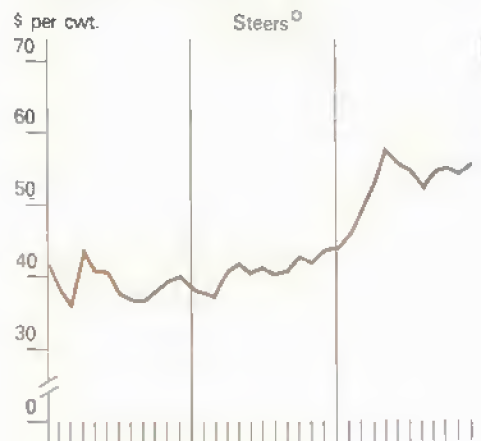
PROSPECTIVE PLANTINGS OF MAJOR CROPS

Crop	1975	1976	1977	1978	Indicated	Change
					1979 ¹	1978-79 ²
						Pct.
			Mil. acres			
Corn	78.6	84.4	83.6	79.7	80.6	+1.2
Sorghum	18.1	18.4	17.0	16.5	15.6	-5.6
Oats	16.5	16.7	17.7	16.4	15.7	-3.9
Barley	9.3	9.2	10.6	10.0	9.2	-7.8
Feed grains	122.5	128.7	128.9	122.6	121.1	-1.2
Durum wheat	4.8	4.7	3.2	4.1	4.2	+3.4
Other spring wheat ..	14.1	17.8	15.6	14.3	14.5	+1.9
Total spring wheat ..	18.9	22.5	18.8	18.4	18.8	+2.2
Winter wheat ³	55.9	57.7	56.3	47.7	51.5	+7.8
Total wheat	74.8	80.2	75.1	66.1	70.2	+6.3
Rye ⁴	2.8	2.7	2.7	3.0	3.1	+3.1
Rice	2.8	2.5	2.3	3.1	2.9	-5.5
Soybeans	54.6	50.2	58.8	64.0	66.3	+3.5
Upland cotton	9.4	11.6	13.6	13.3	14.0	+5.7
Flaxseed	1.6	1.1	1.4	.9	.7	-17.8
Sugarbeets	1.6	1.5	1.3	1.3	1.2	+11.2
Total ⁴	270.1	278.5	284.1	274.3	279.5	+1.9

¹ January 1 planting intentions (except winter wheat and rye) for 34 States adjusted upward to a U.S. total acreage. ² Calculated from unrounded

data. ³ Plantings as of December 1 of previous year for crop to be harvested in year listed. ⁴ May not add due to rounding.

Livestock Prices Higher



○ Choice steers, Omaha. □ Barrows and gilts at seven markets. △ Broilers at nine cities. ▲ Farm price.

Soybeans: Strong domestic demand for meal and oil plus rising foreign demand for soybeans and products have prompted a boost in the 1978/79 estimates of both soybean exports and the domestic crush. Prices in the months ahead will be influenced primarily by the size of the Brazilian and Argentine soybean crops to be harvested this spring. These factors coupled with prices with for competing crops will influence expansion in 1979 U.S. soybean plantings.

Sugar: Acreage of sugarbeets is expected to be down 11 percent this year, according to early plans of farmers. An important Northwest-based sugarbeet processor recently announced that it will not contract for beets in 1979.

Wheat: The wheat crop will be larger this year than in 1978 because winter wheat plantings, which usually account for about three-fourths of harvest, are up 8 percent. At midwinter, most winter wheat lay under a good protective snow cover in the Great Plains, the Central States, and the Northwest.

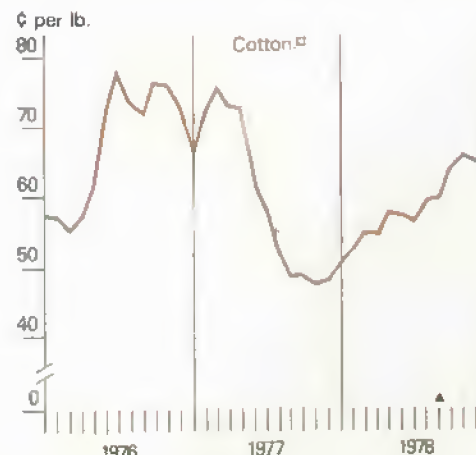
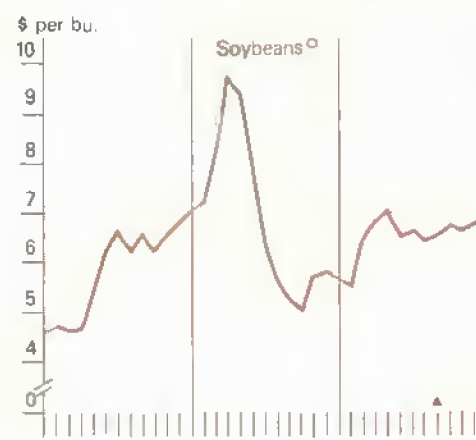
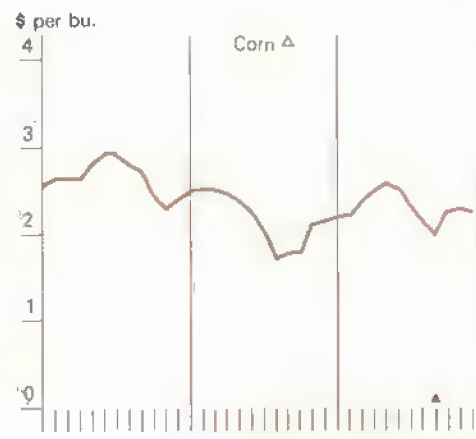
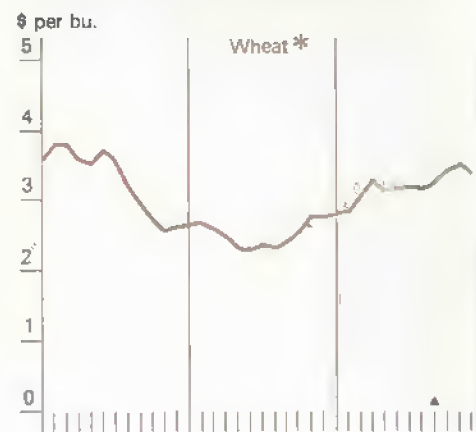
Crop Reporting Board Releases

Major reports which will be released by USDA's Crop Reporting Board during February include:

Title	Off Press
Producer-owned Grain Stocks	Feb. 1
Poultry Slaughter	Feb. 2
Crop Production	Feb. 9
Cattle on Feed	Feb. 13
Livestock Slaughter	Feb. 20
Cold Storage	Feb. 20
Eggs, Chickens, and Turkeys	Feb. 21
Farm Labor	Feb. 22
Agricultural Prices	Feb. 28

Single copies of the above reports may be obtained by writing to: Crop Reporting Board Reports, Room 0005 South Building, USDA, Washington, D.C. 20250. You can also call the Farmers' Newsline toll-free to hear a summary of many major reports. Dial 800-424-7964.

Crop Prices Edge Down: Soybeans Up



* No. 1 Hard Winter, Kansas City. △ No. 2 Yellow, Chicago. ○ No. 1 Yellow, Chicago. □ Spot Market, 1-1/16" SLM. ▲ Average through December 22.



U.S. Economy

The outlook for the U.S. economy in 1979 is for slower growth, especially in the second half of the year. Current conditions suggest a short mild period of economic stagnation with business resuming growth by late 1979 or early 1980.

The gross national product (GNP) adjusted for inflation is expected to advance about 2½ percent, compared with an annual average growth rate of almost 4 percent in 1978.

Growth Recession Possible in 1979 Second Half

The first half of 1979 will continue to show the aftereffects of dramatic fourth quarter growth in such key economic indicators as retail sales, industrial production, and personal income. In addition, the recent high level of housing starts (over 2 million units) will result in substantial construction activity in early 1979. Likewise, commitments made last year in the durable goods sector will continue to boost growth.

As the year progresses, higher interest rates are expected to weaken such interest-sensitive sectors of the economy as housing, business investment, and consumer durable goods sales. This could cause growth to cease or even decline. However, because current business inventories are low relative to sales, inventory liquidation like that experienced in 1975 will not occur.

1979 GNP Components Mixed

Personal consumption expenditures are expected to grow more slowly this year than last. One of the main reasons for last year's strength was the consumer's desire to buy before prices rose, coupled with an ample supply of credit. Some of last year's buying, therefore, may be subtracted from this year's total.

Gross private domestic investment in 1979, is expected to decline in real terms. Nonresidential investment, however, will increase as investment projects started last year are completed, but continued high interest rates will reduce future planned investment.

Real residential investment is projected to decline this year as higher interest rates tighten the housing market. This decline will be partially offset by the change in business inventories, forecast to increase moderately in 1979.

Real government expenditures will increase moderately, as will receipts. The Federal deficit for fiscal 1979 will be \$35-\$40 billion, but combined Federal, State and local governments will run a surplus.

Net exports of goods and services should improve significantly this year as the U.S. economy slows relative to the rest of the industrialized world. In addition, the current low value of the dollar is giving U.S. exports an advantage in world markets.

1978 Was a Good Year

Real GNP in 1978 grew by almost 4 percent, after growth rates of nearly 5 percent in 1977 and 6 percent in 1976. Unemployment declined from 6.4 percent in December 1977 to 5.9 percent in December 1978, while total employment rose by 3 million over the same period. Auto sales, housing starts, and sales of major appliances and most other sectors of the economy either set new records or came close to all-time highs.

The chief problem areas last year—a high rate of inflation, soaring interest rates, large trade deficits, and a declining value of the dollar—are expected to improve later this

year as a result of the anticipated slowdown, coupled with expected higher growth rates in major foreign countries.

GNP Surges in 1978 Fourth Quarter

Real GNP rose at a vigorous 6.1 percent annual rate in the final quarter of last year, up from 2.6 percent in the third quarter.

The rapid fourth-quarter growth rate stemmed mainly from the 6.8-percent real increase (annual rate) in consumer spending; auto sales were especially brisk. But, real spending for nondurable goods and services also increased significantly.

At the same time, however, the annual rate of inflation—as measured by the comprehensive GNP price index—increased 8.1 percent during the final quarter of 1978 compared with 6.9 percent during the third quarter.

YEAR-TO-YEAR CHANGES IN THE GENERAL ECONOMY

	1976	1977	1978
% change from prior year			
(1972 \$)			
Gross national product	5.7	4.9	3.9
Personal consumption expenditures	5.8	4.7	3.9
Durable	11.7	9.5	5.0
Nondurable	4.4	3.2	2.6
Services	5.0	4.4	4.6
Gross private domestic investment	21.6	13.2	7.0
Nonresidential	4.7	9.2	7.8
Residential	23.2	20.7	3.5
Net exports	-31.9	-38.3	-9.5
Government Purchases . . . . .	.08	2.4	2.2
Per capita disposable income	2.8	3.3	3.4
Price indexes: (% change from prior year)			
GNP implicit price deflator (1972=100)	5.2	5.9	7.4
Consumer Price Index ¹ (1967=100)	5.8	6.5	7.6
Producer price index (all commodities) 1967=100)	4.6	6.1	7.2
Employment (% change from prior year)	3.2	3.5	4.2
Unemployment rate (Avg. annual)	7.7	7.0	6.0
Prime rate (Avg. annual)	6.8	6.8	9.1
Change in business inventories (\$ bil.)	6.7	8.9	10.4

¹ Beginning in 1978 CPI includes all urban consumers.



World Agriculture and Trade

U.S. agricultural exports will continue to expand in fiscal 1979—especially in the first half of the year—despite record large world supplies of major crops. General demand will continue strong this year because economic growth is expected to show further gains in major industrialized countries. While the OPEC oil price rise will limit the ability of some countries to import, the overall effect on U.S. agricultural exports will be minimal.

Record Large Grain Production

World food production increased 3 percent in 1978—the fourth straight year of expanded food output. Grain production reached a record-high 1.55 billion tons in 1978/79. No major region suffered a serious production shortfall, and record grain crops were achieved in three of our largest markets—Western Europe, the USSR, and Eastern Europe. Grain output is up in competing exporting countries.

Drought Causing Concern About South American Soybeans

Extremely dry conditions in recent weeks have caused considerable concern about soybean crops in South America. Rain in late January relieved the situation somewhat. The current estimate still calls for production of 13 to 14 million metric tons in Brazil and 2.9 to 3.5 million tons for Argentina.

Wheat Output May Decline

World wheat production increased 14 percent in 1978/79.

World wheat consumption in 1978/79 is expected to increase 3 percent. Foreign wheat stocks are expected to increase about 28 million tons, more than offsetting the anticipated 4-million ton decline in the United States.

World wheat imports are expected to be about the same as last year. Imports in the USSR, Western Europe, and Japan are expected to be down slightly, but China, Brazil, and Pakistan have made large purchases.

World Use of Coarse Grains, Protein Meal Expanding

World use of coarse grains is forecast to rise 3 percent in 1978/79 as livestock feeding expands. The price spread between wheat and corn in world markets gives price-sensitive buyers a preference for corn. In addition, the diets of several countries—most notably the USSR, Eastern Europe, and Asia—are including more meat.

World trade is being boosted by the entry of China into the market and continued demand growth in the Middle East and East Asia. The decline of the dollar over the past few years had made U.S. soybeans a good buy in our principal markets in Western Europe and Japan.

Utilization of protein meal is likely to continue strong. Soymeal prices in the EC are attractive relative to grain prices because of high internal grain support prices. EC imports of manioc—an inexpensive low-protein feed—continue high but use is not expected to increase further. Thus, world utilization of protein meal is expected to rise at a slower rate in 1979.

World meal and oil supplies in 1978/79 are expected to increase 6 percent to over 84 million metric tons and this trend should continue in 1979/80 despite some weakening of prices later this year.

Cotton Stocks Down, Consumption Up

The 1978/79 world cotton crop was 5 percent below a year earlier. Because of low prices at planting time, planted area fell 3 percent. Adverse weather caused yields to drop in the USSR and Pakistan as well as the United States.

At the same time, world cotton consumption is expected to increase slightly in 1978/79 because of the improved textile outlook in importing countries, especially South Korea, Taiwan, and Japan.

Smaller production and increased use may cause stocks to decline more than a tenth, but some rebuilding of world stocks could occur during the 1979/80 season.

World Economy Grows

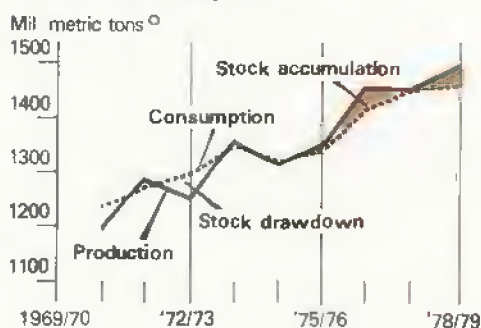
Economic growth in the EC and Japan is expected to exceed the 2 percent forecast for the United States in 1979. This should boost U.S. exports, including agricultural products. For the EC as a whole, economic growth is projected at almost 3.5 percent, up from 2.6 percent estimated for 1978. Japan's growth rate is projected at 4.75 percent.

Because of the size of the OPEC oil price rise (5 percent on January 1 and a cumulative 14.5 percent increase by October 1), growth rates will be slightly lower than December expectations. Inflation rates in the developed countries will probably continue at roughly present levels.

The OPEC countries' capacity to import will increase as a result of the oil price rise, but the higher oil prices will hurt nonmember countries, particularly in the developing world.

As a group, however, developing countries are projected to grow by over 5 percent in 1979 and only a few, like Zambia, will face major financing constraints. Major U.S. markets—especially Korea, Taiwan, and Mexico—have favorable growth and payments prospects.

World Grain Production Surpasses Consumption . . .



. . . Stocks Build



Includes wheat, rice (rough) and major and minor coarse grains.



Policy Agenda

The Food and Agriculture Act of 1977 was in full operation in 1978. Acreage set-aside or diversion programs were in effect for wheat, feed grains, and cotton, idling over 18 million acres. Farmer-owned reserve goals for wheat and feed grains were met or exceeded in 1978. These actions helped support market prices during the year.

Economic conditions led to policy initiatives announced by the Administration in late March (including liberalization of the farmer-owned reserve program, diversion programs for cotton and feed grains, and a hay and grazing program for wheat) and the Emergency Agricultural Act of 1978. When the Act was signed into law, the Administration raised the target price for wheat from \$3.00 to \$3.40 a bushel. Other legislation passed in 1978 important to agriculture included the Agricultural Credit Act of 1978, the Foreign Investment Disclosure Act, and the Agricultural Trade Act of 1978.

Looking ahead to this year's issues, the agenda includes both old and new items for consideration. Unresolved issues from last year include international agreements, sugar legislation, meat imports, and disaster assistance. New issues that could demand attention this year include milk price supports, government reorganization, anti-inflation efforts, and energy.

Agreement Near On Several Key International Negotiations

Agreement at last seems near on the Multilateral Trade Negotiations (MTN) which have been going on for 4 years and were originally scheduled to wind up last December.

Negotiations with most important trading partners, including Japan, are substantially completed. A formal agreement with the EC may not be concluded until Congress has agreed to extend the countervailing duty waiver authority in the Trade Act of 1974 and the EC has agreed to a satisfactory discipline on subsidies.

One part of the trade agreements provides for the establishment of an International Agriculture Council that would serve as a forum for the discussion of agricultural trade policy issues on an on-going basis. In addition, the Council would collect data on agricultural production, consumption, prices, stocks, and international trade.

A new International Wheat Agreement (IWA) for holding wheat stocks and stabilizing prices within a target range through price triggers is being negotiated. Among the remaining subjects of current negotiations are the size of the total reserve and individual country shares, price levels that would trigger acquisition and release of reserve stocks, special provisions for developing countries, and export subsidies.

Countries that import wheat are seeking assurances of supply during periods of world scarcity, whereas exporters want an agreement wherein importers share in the cost of storing the reserves. The United States proposes limiting export subsidies under the IWA while the EC would prefer to include that issue as part of the MTN.

An Administration request for authority to create an International Emergency Wheat Reserve (IEWR) failed to pass the last Congress. A new request probably will be tailored to fit the outcome of the IWA negotiations.

Sugar Policy

Sugar legislation will be one of the first issues confronting the new Congress. An International Sugar Agreement (ISA) began provisionally on January 1, 1978, but U.S. ratification failed with the defeat of the conference bill on sugar during the waning moments of the last Congress.

The sugar program's price objective and the method for achieving it constituted the principal points of controversy that led to the bill's downfall. Until new legislation is passed, the Administration has the authority to adjust import fees, to change the current nonrestrictive import quota, to maintain a price support loan program, to make purchases of sugar in the market, and to reinstitute a payments program.

Meat Import Bill Reintroduced

In January 1979 a bill to amend the 1964 Meat Import Law was reintroduced in Congress. This bill would incorporate a countercyclical formula into the 1964 law. It is identical to the Meat Import Act of 1978, passed as H. R. 11545, except for the language regarding Presidential discretion to increase imports.

The President vetoed H.R. 11545 last fall because it restricted his authority to increase imports, and because it set a minimum import level below the level required by the Administration.

However, the Administration has indicated it will support a countercyclical meat import bill if it assures maintenance of a minimum import quantity sufficient to meet U.S. international trade obligations and continues the President's authority to suspend quotas if U.S. needs exceed supplies available under the quota.

Under the Meat Import Act of 1964, the allowable level of imports parallels fluctuations in domestic beef production caused by the U.S. cattle cycle. As a result, imports are highest when domestic beef production is high and prices are low. Conversely, imports are lowest when domestic production is low and prices are high. A countercyclical adjustment formula would increase the allowable level of imports when domestic supplies are small and trim the allowable import level when supplies are plentiful.

COMMODITY PROGRAM DETAILS

	1978	1979
Wheat		
Target Price (\$ per bu.)	3.40	3.40
Loan level (\$ per bu.)	2.35	2.35
Set-aside (percent)	20	20
Diversion (percent)	—	—
Voluntary reduction (percent)	20	15
National pgm. acreage (mil. acres)	58.8	57.1
Corn		
Target price (\$ per bu.)	2.10	2.20
Loan level (\$ per bu.)	2.00	2.00
Set-aside (percent)	10	10
Diversion (percent)	10	10
Diversion payment (\$ per bu.)	.20	.10
Voluntary reduction (percent)	5	10
National pgm. acreage (mil. acres)	67.6	63.7
Sorghum		
Target price (\$ per bu.)	2.28	2.30
Loan level (\$ per bu.)	1.90	1.90
Set-aside (percent)	10	10
Diversion (percent)	10	10
Diversion payment (\$ per bu.)	.12	.10
Voluntary reduction (percent)	5	10
National pgm. acreage (mil. acres)	13.7	13.2
Barley		
Target Price (\$ per bu.)	2.25	2.40
Loan level (\$ per bu.)	1.63	1.63
Set-aside (percent)	10	20
Diversion (percent)	10	—
Diversion payment (\$ per bu.)	.12	—
Voluntary reduction (percent)	20	30
National pgm. acreage (mil. acres)	7.5	6.5
Oats		
Loan level (\$ per bu.)	1.03	1.03
Rye		
Loan level (\$ per bu.)	1.70	1.70
Soybeans		
Loan level (\$ per bu.)	4.50	4.50
Upland cotton		
Target price (cents per lb.)	52.0	¹ 57.7
Loan level (cents per lb.)	48.00	50.23
Set-aside (percent)	—	—
Diversion (percent)	10	—
Diversion payment (cents per lb.)	2.0	—
Voluntary reduction (percent)	20	15
National pgm. acreage (mil. acres)	10.2	10.6
Rice		
Target Price (\$ per cwt.)	8.53	9.05
Loan level (\$ per cwt.)	6.40	6.79
Set-aside (percent)	—	—
Diversion (percent)	—	—
National pgm. acreage (mil. acres)	1.8	1.8
Sugar		
Loan level (cents per lb., raw value)	14.73	—

¹ Preliminary.

Comprehensive Disaster Assistance Program To Be Proposed

Disaster assistance legislation to provide comprehensive, all-risk insurance is expected to be introduced in the 96th Congress. Action is necessary to either extend or replace several of the current disaster payment programs which expire with the 1979 crop, after having been extended for two years by the 1977 Act. Legislation that would provide comprehensive insurance without increasing the government costs was introduced in the last session of Congress. The proposed legislation also will be designed to replace several of the ad hoc disaster programs now used.

As proposed, participation would be voluntary with the insured paying a premium. Some of the questions about the bill were willingness of producers to pay the necessary premiums, how much of the program costs the government should bear, and what the role of private insurance companies would be. An extension of the current disaster payments program is also possible to allow more time to consider its replacement, or to give the Administration time to implement a new program if legislation is passed.

Current Milk Price Support Legislation Expires

The current minimum milk price support now pegged at 80 percent of parity will revert to 75 percent on October 1 when that provision of the Food and Agriculture Act of 1977 expires. Legislation has been introduced to either maintain the minimum at 80 percent or increase it.

The major issues surrounding this price support decision center on level and stability of producer prices and incomes, consumer expenditures, and government costs of Commodity Credit Corporation (CCC) price support activities.

Record Financing

The Farmers Home Administration reported that its loans and grants for rural development during October 1977-September 1978 reached a record \$11.1 billion, 55 percent above the previous year's level.

Nearly \$5 billion of that total went for farm loans, including \$3.6 billion to farmers and ranchers hit by natural disasters or economic emergencies. Housing

loans accounted for another \$3.7 billion of the total, \$1.3 billion went for community facilities improvement, and more than \$1 billion was used for business-industrial financing.

Upland Cotton Program Announced

The 1979 upland cotton national program acreage (NPA) was announced in mid-December at 10,634,181 acres. The voluntary acreage reduction from 1978 plantings was set at 15 percent.

The NPA is an estimate of the number of acres needed to meet domestic requirements and export demand and still provide the desired carryover. It may be revised later, but it cannot be reduced below the statutory minimum of 10 million acres.

Deficiency payments will be made if the average cotton price for 1979 falls below the target price set by the Secretary of Agriculture. Producers who voluntarily reduce their 1979 upland cotton acreage by at least 15 percent will receive payments on their entire planted acreage. Others will receive deficiency payments subject to the allocation factor (NPA divided by the estimated national harvested acreage) times their planted acreage.

Pre-Compliance Measurement Service

A voluntary pre-measurement service is available from USDA which will help farmers make certain that they comply with voluntary wheat and feed grain set-aside programs. This service, offered at cost by USDA county offices, involves measuring, referencing, and marking out fields with stakes prior to planting. Producers who take advantage of premeasurement are then guaranteed that the fields are of a certain size. The pre-measurement service was available last year but few farmers used it. In many instances this caused producers to lose program benefits or to destroy crops in order to comply with the set-aside provisions.

After planting 1979 crops, program participants must certify or report their crop, set-aside, and other program acres to their USDA county offices, which will announce certification periods in due course.



Oil, Agriculture, and Trade

Agricultural Exports to OPEC Expanding

By John B. Parker, Foreign Demand and Competition Division

Total agricultural imports by the 13 nations of the Organization of Petroleum Exporting Countries (OPEC)¹ exceeded \$11 billion last year—more than triple their 1973 level. U.S. agricultural exports to OPEC increased 28 percent to a record \$2.1 billion in fiscal 1978—up from \$1.6 billion in fiscal 1977 and five times the 1970-72 value.

The surge in U.S. agricultural exports began in 1977 and gained strength in 1978. Exports of over 50 different types of U.S. farm products to OPEC more than doubled in value between 1976 and 1978. Thousands of smaller U.S. exporters have joined the giant international traders in tapping the booming OPEC market.

While wheat, wheat flour, and rice combined accounted for the lion's share of our agricultural exports to OPEC during the last

2 fiscal years, the commodity mix of U.S. exports to OPEC is becoming more diversified. Wheat and rice, which were 68 percent of the value of U.S. agricultural exports to OPEC in 1974, declined in 1977 to 52 percent. Large increases occurred in U.S. exports of wheat, corn, eggs, vegetable oils, fruit, dry beans, and canned food to OPEC in 1978.

The number of U.S. agricultural commodities exceeding \$5 million in annual export sales annually for exports to OPEC continues to grow as more modern grocery stores open, new food distribution networks develop, and millions of families buy refrigerators for the first time.

Our wheat exports to OPEC increased 24 percent to 4.7 million tons valued at \$584 million during fiscal 1978. Our rice exports to OPEC reached a record 1.18 million tons valued at \$542 million in fiscal 1978—double the level recorded 2 years earlier. OPEC now takes over half of our rice exports and about 15 percent of our wheat exports.

While OPEC's agricultural imports have multiplied threefold since 1973 when their petroleum prices quadrupled, the member

countries used only \$6 billion of the \$100-billion increase in petroleum receipts between 1973 and 1978 for such products. Funds obviously are available to pay for much larger food imports in future years. OPEC accounted for about 60 percent of the world's petroleum exports in 1978, but only 7 percent of the world's food imports.

There are many reasons for the gains in OPEC agricultural imports since 1973 besides the large capacity of the members to purchase in world markets. Among these:

—Nontariff trade barriers related to conserving foreign exchange were changed or eliminated in most of the member countries. Government trade policies have become more flexible, allowing duty-free imports of more items. Controlling inflation and satisfying urban consumers have received greater attention.

—Per capita incomes gained rapidly and government programs were introduced to provide wider income distribution. Food demand as well as caloric intake increased markedly in Mideast OPEC countries and moderately in Venezuela, Ecuador, and Indonesia.

—OPEC's population grew by 2.6 percent annually, and became more urbanized. The urban people rely more heavily than rural people on imported cereals, oilseed products, and raw materials for industry.

—Total cultivated area has not increased much since 1972. Per capita agricultural production remains below the 1961-65 average in Algeria, Ecuador, Iraq, and Nigeria.

—Imports of protein products—poultry, beef, and dairy—now arrive in substantial volume. Government control of food imports in many OPEC countries had meant that demand for basic items—particularly cereals—was satisfied before high protein products were considered.

—New and improved marketing and transportation systems have been developed which enable importers to obtain farm products faster and at lower cost. For example, U.S. firms using containerized shipping for consumer food products can supply

¹ Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Arabian Peninsula supermarkets at a lower unit cost than would be possible through imports from multiple sources. Construction of new port facilities, warehouses, and development of modern food distribution systems have accelerated in some of the countries.

—Industrialization has increased OPEC's demand for such raw materials as tallow, soybeans, tobacco, cotton, and cattle hides.

—The addition of refrigerators to many households has brought changes in family diet, new foods, and a generally higher standard of living.

Striking gains are expected for imports of rice, fresh fruit, and processed foods by Iraq and countries of the Arabian Peninsula in

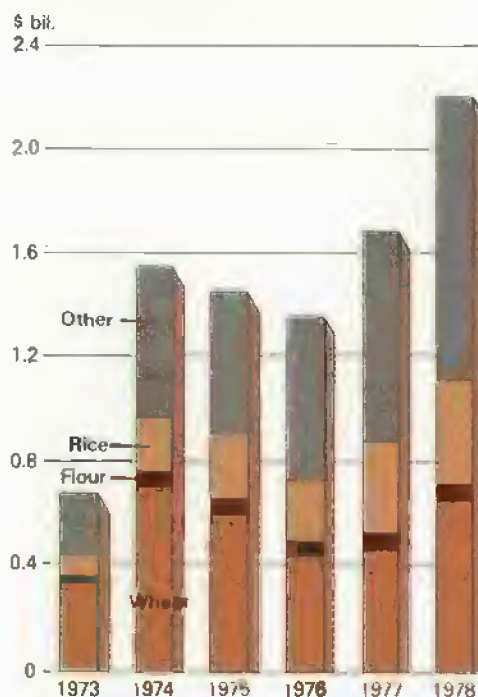
1979. Food imports by these countries will increase more than \$1 billion this year. Indonesia's rice imports may be down about 25 percent in 1979, but larger imports of wheat, soybeans, and cotton should keep Indonesia's total agricultural imports above \$1.3 billion.

Saudi Arabia is likely to emerge as OPEC's leading agricultural importer in 1979, surpassing Iran, the leader during 1974-78. Saudi Arabia's agricultural imports may reach \$3 billion in 1979—up from \$2 billion in 1978.

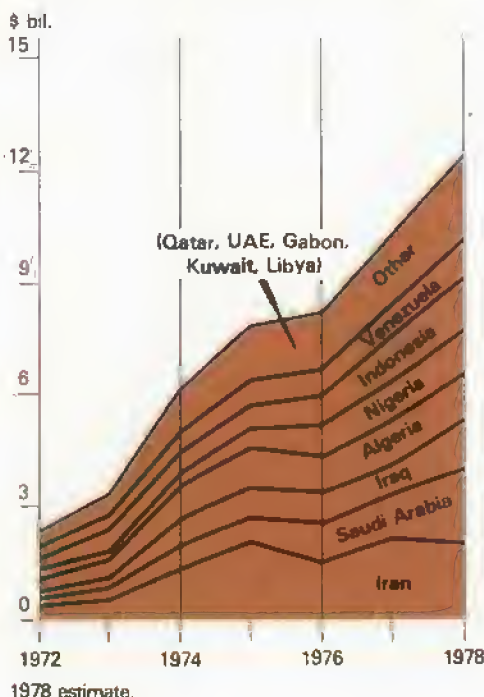
Iran's agricultural imports in 1977 and 1978 were about \$2 billion annually but the outlook for 1979 is not yet clear. Agricultural imports by both Iraq and Algeria should exceed \$1.3 billion in 1979.

Strong gains in exports to Saudi Arabia, Iraq, Venezuela, Nigeria, United Arab Emirates, and Kuwait should allow U.S. agricultural exports to OPEC to rise in 1979. If Iran and Algeria raise imports in late 1979 to meet pentup consumer demand, our exports of farm products to OPEC could be sharply above the 1978 level.

U.S. Agricultural Exports to OPEC Surged in Last Two Years



Total OPEC Agricultural Imports Rising



Mexican Oil and U.S. Agricultural Trade

By John Link, Foreign Demand and Competition Division

Mexico now ranks sixth in the world in proven reserves, surpassed only by the Soviet Union, Saudi Arabia, Iran, the United States, and Kuwait. Mexico's recent emergence as a major oil power promises to make it a more active U.S. trading partner.

Intensive exploration for oil in Mexico has led to the discovery of fields so immense they could change conventional ideas about world oil supplies. Revised Mexican estimates (as of January 1, 1979), show proven reserves of 40 billion barrels—twice the previous estimates. Probable reserves were 45 billion barrels compared with 37 billion barrels previously estimated, and potential reserves remained unchanged at 200 billion barrels.

Mexican oil extraction, which has been increasing about 14 percent per year since 1971, grew more rapidly last year. For the first half of 1978 the rate was nearly 22 percent above the same period a year earlier. Exports of crude oil for the first 8 months of last year were 85 percent higher than in 1977. Natural gas extraction, which had been increasing only 3 percent per year since 1971, rose nearly 19 percent during the first 8 months of 1978 compared with 1977.

Mexico's production of nitrogen fertilizer, which had been expanding 11 percent per year, increased 28 percent during the first part of 1978. Exports of nitrogen fertilizer for all of 1978 are expected to reach about a half million tons.

Mexico's increased oil revenues, in addition to a rapidly growing population and higher national income, have created an expanding market for a wide variety of imports. These include agricultural, durable and semi-durable products, and capital imports needed for future development.

In Mexico, demand for agricultural products made possible by oil revenues is expected to rise faster than ability to

produce these products at home. This will give the United States an opportunity to increase exports of both raw and processed agricultural products to Mexico.

The Mexican government's policy of improving income distribution and raising the standard of living of low income groups will continue to get high priority. If successful, this will further expand the effective demand for many agricultural products.

In 1977, Mexico was the fifth largest market for total U.S. exports, taking \$4.7 billion—up sharply from the \$1.7 billion registered in 1970. U.S. exports to Mexico accounted for 4 percent of total U.S. exports, while Mexican exports to the U.S. accounted for about 67 percent of total Mexican exports.

As a market for U.S. farm products, Mexico was first among Latin American countries and eighth in the world in 1977. U.S. agricultural exports to Mexico increased more than four times since 1970. During January-November 1978, U.S. farm exports to Mexico were \$801 million, 27 percent over the same 1977 period.

While the general import policies of Mexico are restrictive, private industry and business interests rely increasingly upon imported agricultural commodities such as oilseeds, grain, hides and skins, animal fats, and processed food products. Demand for soybeans, soybean meal, corn, and sorghum is related to the rapidly growing feed industry in Mexico, especially poultry and swine feeds.

In the last decade Mexico became a major supplier of several U.S. imports. In 1970, the United States imported \$1.2 billion worth of products from Mexico. By 1977, the total exceeded \$4.6 billion. Imports from Mexico represented 3 percent of total U.S. imports. U.S. farm imports from Mexico amounted to about one-half billion dollars annually in 1970, but by 1977 they exceeded \$1 billion and made up 8 percent of total U.S. farm imports.

The volume of traditional U.S. imports such as coffee, cocoa, and bananas, has increased only slightly. The most dramatic expansion has been in commodities such as fruits and vegetables. Mexico has the capability to permanently supply traditional crops at current levels. Exports of winter fruits and vegetables, meat, and cattle could increase as the Mexican and the U.S. markets expand.

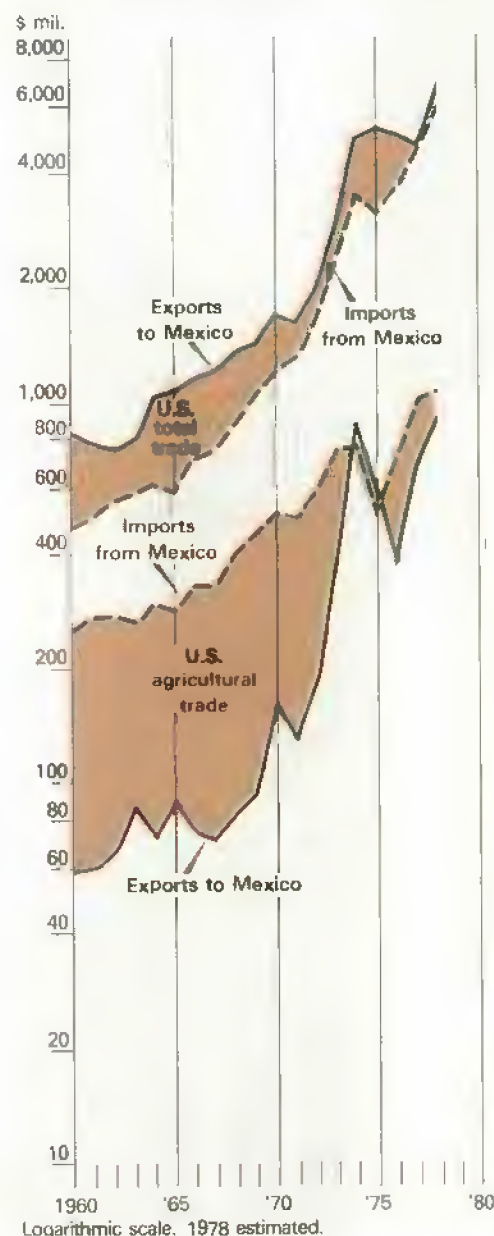
U.S. EXPORTS TO MEXICO, 1977

Commodity	Quantity	Value
	Thou. tons	\$ Mil.
Wheat	453	41
Corn	1,716	176
Sorghum	669	67
Soybeans	413	108
Soybean meal	191	57
Soybean oil	15	10
Lard	31	15
Tallow, inedible	40	17
Cattle hides (1,000 pieces)	1,944	35
Other	—	138
Total	—	664

MAIN U.S. IMPORTS FROM MEXICO, 1977

Commodity	Quantity	Value
	Thou. tons	\$ Mil.
Live cattle (1,000 head)	595	80
Meat, beef	27	38
Berries	60	33
Melons	172	30
Oranges	36	8
Cucumbers	107	18
Onions	44	8
Peppers	51	21
Tomatoes	356	149
Molasses, inedible (1,000 gal.)	88,857	20
Honey	15	9
Coffee	89	397
Cocoa, beans, prod- ucts, etc.	6	17
Tobacco, unmanu- factured	6	11
Sesame seed	19	13
Broomcorn	11	11
Other	—	148
Total	—	1,013

U.S.—Mexican Trade Expands





Recent Publications

Below is a list of selected USDA publications, arranged by subject area, which may be of interest to you. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. When ordering be sure to list the publication number and provide your zipcode.

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FAS Reports

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

State Reports

Publications issued by a State may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

New report listings, by subject matter:

Cocoa

Smaller World Cocoa Bean Crop Forecast for 1978/79. FCB 2-78 (FAS).

Cotton

U.S. Cotton Exports Continue Strong in September. FC 19-78 (FAS).

U.S. Cotton Exports Unseasonably High in October. FC 21-78 (FAS).

World Cotton Production Down—Stocks Expected To Decline. FC 20-78 (FAS).

Farm Management

Proceedings of Workshop on Farm Sector Financial Accounts, April 14-15, 1977. AER 412 (ESCS).

Farmers' Use of Pesticides in 1976. AER 418 (ESCS).

Fruits and Nuts

Canned Deciduous Fruit Packs for 1978 Up in Australia, Down in South Africa. FCAN 5-78 (FAS).

Commercial Citrus Inventory as of January 1978. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.

The U.S. Wine Market. AER 417 (ESCS).

Grains

Reference Tables on Wheat, Corn, and Total Coarse Grains Supply-Distribution for Individual Countries. FG-20-78 (FAS).

Land Use and Ownership

Facts About U.S. Landownership. AIB 422 (ESCS).

Livestock and Meat

Livestock and Livestock Product Export Earnings Gain Again in September. FLM MT 17-78 (FAS).

Value of U.S. Livestock and Product Exports Up Again in October 1978. FLM MT 19-78 (FAS).

Nitrite in Bacon: A Summary Analysis of a Ban on the Use of Nitrite in Curing Bacon. ESCS 44 (ESCS).

Structural Characteristics of the U.S. Hog Production Industry. AER 415 (ESCS).

U.S. Customs Service Data on Meat Imports—September 1978. FLM MT 16-78 (FAS).

U.S. Customs Service Data on Meat Imports—October 1978. FLM MT 18-78 (FAS).

U.S. Customs Service Data on Meat Imports—November 1978. FLM MT 20-78 (FAS).

Oilseeds and Products

India's Oilseed Output Higher; Peanut Crop Slightly Lower. FOP 14-78 (FAS).

U.S. Oilseed Exports Climb in September, Imports Continue To Fall. FOP 15-78 (FAS).

U.S. Oilseed Export Earnings Reach Record Value in October. FOP 1-79 (FAS).

World Meal and Oil Production Seen Higher in 1978/79. FOP 16-78 (FAS).

World Production of Flaxseed and Products To Fall in 1978/79. FOP 17-78 (FAS).

Population and Rural Living

Symposium on Impacts on Rural America of the Federal Water Pollution Control Act Amendments, P.L. 92-500. ESCS 40 (ESCS).

Farm Population of the United States: 1977. P-27, No. 51 (ESCS).

Farm Population Trends and Farm Characteristics. RDRR 3 (ESCS).

Sugar

World Sugar Outturn Down 2 Percent in 1978/79. FS 3-78 (FAS).

Tobacco

U. S. Leaf-Tobacco Value Sets Record in 1977/78. Volume Lower. FT 7-78 (FAS).

Tobacco and Product Exports Strengthen in October. FT 8-78 (FAS).

World Tobacco Production Up 2 Percent in 1978. FT 9-78 (FAS).

Vegetables

Mushroom Exports From Taiwan, South Korea Set Records; EC Restricts Imports. FVEG 5-78 (FAS).

State Reports

Wyoming Agricultural Statistics 1978. Wyoming Crop and Livestock Reporting Service, P. O. Box 1148, Cheyenne, Wyoming 82001.

North Carolina Fertilizer Tonnage Report—1978. North Carolina Crop and Livestock Reporting Service, P. O. Box 27767, 1 West Edenton Street, Raleigh, North Carolina 27611.

North Dakota Crop and Livestock Statistics—Historic Estimates 1971-1975. North Dakota Crop and Livestock Reporting Service, P.O. Box 3166, Fargo, North Dakota 58102.

Statistical Indicators

Farm Income

Gross and net farm income¹

	Annual			1976			1977				1978			
	1976	1977	1978p	II	III	IV	I	II	III	IV	I	II	III	IVp
	\$ Bil.													
Cash receipts from farm marketings . . .	94.5	96.1	110.0	98.9	93.2	92.6	97.6	95.7	91.3	99.6	104.6	109.3	108.0	118.0
Livestock and products	46.2	47.6	58.0	47.9	45.2	45.1	46.3	46.6	47.8	49.5	52.7	57.4	57.7	64.0
Crops	48.3	48.5	52.0	51.0	48.0	47.5	51.3	49.1	43.5	50.1	51.9	51.9	50.3	54.0
Nonmoney and other farm income ² . . .	9.6	12.0	13.9	9.5	9.6	10.0	10.5	11.1	11.4	15.2	13.7	13.7	13.3	15.0
Gross farm income	104.1	108.1	123.9	108.4	102.8	102.6	108.1	106.7	102.7	114.8	118.3	123.0	121.3	133.0
Farm production expenses	83.0	88.0	95.8	85.0	84.5	82.9	87.5	87.0	86.0	91.4	92.5	95.0	94.5	101.3
Net income before inventory adj.	21.1	20.1	28.1	23.4	18.3	19.7	20.6	19.7	16.7	23.4	25.8	28.0	26.8	31.7
Net change in farm inventories	-2.4	.4	.2	-3.5	-1.2	-3.2	-1.0	.5	0	2.1	.5	0	0	.3
Net income after inventory adj.														
Current prices	18.8	20.6	28.3	19.9	17.1	16.5	19.6	20.2	16.8	25.5	26.3	28.0	26.8	32.0
1967 prices ³	11.0	11.3	14.5	11.8	9.9	9.5	11.1	11.2	9.4	13.5	14.0	14.5	13.5	15.9

¹ All estimates starting with calendar year 1975 were updated in July; quarters of 1978 are subject to revision as Year Progresses. Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the consumer price index for all items, 1967=100. p. preliminary.

Cash receipts from farming

	January-Oct			1977							1978		
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct			
	\$ Mil.												
Farm marketings and CCC loans ¹	65,476	76,482	84,445	11,367	7,750	8,338	7,342	9,040	9,342	12,846			
Livestock and products	34,451	39,266	45,972	4,542	4,967	4,767	3,662	4,741	4,839	5,650			
Meat animals	19,982	22,907	28,701	2,897	3,162	2,973	1,764	2,917	3,101	3,925			
Dairy products	8,655	9,827	10,382	978	1,119	1,046	1,058	1,050	1,017	1,016			
Poultry and eggs	5,349	6,001	6,382	619	632	697	791	728	677	665			
Other	464	531	507	48	54	51	49	46	44	44			
Crops	31,025	37,216	38,473	6,825	2,783	3,571	3,680	4,299	4,503	7,196			
Food grains	5,397	5,625	4,664	591	181	633	931	1,142	808	731			
Feed crops	8,914	8,910	8,294	1,379	590	899	831	836	804	1,333			
Cotton (lint and seed)	1,042	2,034	1,619	650	44	8	37	119	164	528			
Tobacco	1,415	1,687	1,847	286	20	0	71	516	398	425			
Oil-bearing crops	5,184	7,260	9,116	2,141	699	712	695	536	648	2,414			
Vegetables and melons	3,934	4,969	5,202	787	504	524	435	533	803	745			
Fruits and tree nuts	2,392	3,230	3,952	505	388	548	453	332	452	505			
Other	2,748	3,501	3,779	486	357	247	227	285	426	515			
Government payments	497	730	1,825	72	150	64	75	57	162	275			
Total cash receipts ²	65,973	77,212	86,270	11,439	7,900	8,402	7,417	9,097	9,504	13,121			

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	January-Oct			1977							1978		
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct			
	1967=100												
All commodities	114	119	114	181	97	110	105	120	126	172			
Livestock and products	110	113	110	132	114	109	93	110	107	124			
Crops	126	127	121	250	74	113 ^p	123	134	151	239			

Cash receipts¹ from farm marketings, by States, January-October

State	Livestock and Products		Crops ²		Total ²	
	1977	1978	1977	1978	1977	1978
	\$ Mil.					
NORTH ATLANTIC						
Maine	222.9	223.4	133.5	98.2	356.4	321.7
New Hampshire	45.6	45.2	19.6	19.8	65.2	65.0
Vermont	202.6	221.5	18.4	17.8	221.1	239.2
Massachusetts	86.3	85.3	88.4	91.4	174.7	176.7
Rhode Island	9.2	9.2	12.2	12.8	21.3	22.0
Connecticut	107.4	109.3	92.8	85.9	200.3	195.3
New York	996.8	1,088.1	433.6	442.8	1,430.4	1,530.9
New Jersey	82.7	81.9	220.3	248.4	303.0	330.3
Pennsylvania	1,082.4	1,190.5	486.0	495.5	1,568.5	1,686.0
NORTH CENTRAL						
Ohio	961.9	1,098.8	1,353.9	1,422.2	2,315.8	2,521.0
Indiana	1,061.6	1,222.1	1,567.6	1,527.1	2,629.2	2,749.3
Illinois	1,536.5	1,814.9	3,355.4	3,425.7	4,891.9	5,240.5
Michigan	694.6	778.8	770.5	844.9	1,465.1	1,623.7
Wisconsin	2,143.6	2,392.5	446.7	536.7	2,590.3	2,929.2
Minnesota	1,848.8	2,158.8	1,567.1	1,792.2	3,415.8	3,951.0
Iowa	3,604.5	4,299.7	2,231.4	2,267.7	5,835.9	6,567.4
Missouri	1,336.0	1,660.7	888.7	1,062.4	2,224.7	2,723.1
North Dakota	378.7	472.1	921.8	960.3	1,300.6	1,432.4
South Dakota	922.0	1,093.0	374.9	472.5	1,296.9	1,565.5
Nebraska	1,859.9	2,286.7	1,174.5	1,222.2	3,034.3	3,508.9
Kansas	1,828.8	2,325.2	1,334.1	1,136.6	3,162.9	3,461.8
SOUTHERN						
Delaware	148.9	174.7	66.5	72.3	215.4	247.0
Maryland	356.5	404.3	190.9	197.6	547.3	601.9
Virginia	467.6	523.9	333.6	365.5	801.2	889.4
West Virginia	86.7	85.1	32.4	51.7	119.1	136.8
North Carolina	886.7	990.3	1,327.9	1,555.0	2,214.5	2,545.3
South Carolina	226.1	265.7	421.4	483.6	647.5	749.3
Georgia	1,024.9	1,185.1	814.9	871.8	1,839.8	2,057.0
Florida	630.0	736.1	1,486.4	1,953.3	2,116.4	2,689.5
Kentucky	609.4	738.0	588.4	510.7	1,197.8	1,248.7
Tennessee	572.3	706.0	396.1	391.8	968.4	1,097.8
Alabama	775.9	932.3	421.2	463.5	1,197.0	1,395.8
Mississippi	667.3	786.7	498.6	558.1	1,165.9	1,344.8
Arkansas	983.3	1,073.5	898.4	975.4	1,881.7	2,048.9
Louisiana	338.5	406.4	490.1	600.3	828.5	1,006.6
Oklahoma	964.5	1,010.0	620.6	523.1	1,585.1	1,533.1
Texas	2,943.1	3,561.0	2,291.3	1,718.8	5,234.3	5,279.7
WESTERN						
Montana	329.1	365.8	365.1	369.8	694.2	735.6
Idaho	391.2	476.7	545.3	556.3	936.5	1,033.0
Wyoming	294.0	310.2	42.5	44.2	336.5	354.4
Colorado	1,173.5	1,758.3	419.8	378.2	1,593.2	2,136.5
New Mexico	458.6	418.6	160.0	129.3	618.6	547.9
Arizona	435.9	538.3	505.7	462.5	941.6	1,000.7
Utah	217.2	255.7	76.5	59.3	293.7	315.0
Nevada	73.7	81.1	35.0	26.5	108.7	107.6
Washington	422.8	502.0	988.6	1,120.2	1,411.4	1,622.3
Oregon	293.5	345.2	556.9	594.1	850.4	939.3
California	2,424.6	2,626.3	4,928.7	5,021.5	7,353.3	7,647.8
Alaska	3.6	3.5	4.8	5.2	8.4	8.7
Hawaii	54.0	53.3	216.6	231.0	270.6	284.2
UNITED STATES	39,266.2	45,971.7	37,215.5	38,473.8	76,481.7	84,445.4

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Items	1971	1972	1973	1974	1975	1976	1977	1978 ²
1967=100								
Farm output	110	110	112	106	114	117	121	122
All livestock products ³ ..	106	107	105	106	101	105	106	108
Meat animals	109	109	108	110	102	105	105	107
Dairy products	101	102	98	98	98	103	105	105
Poultry and eggs	106	109	106	106	103	110	112	117
All crops ⁴	112	113	119	110	121	121	130	131
Feed grains	116	112	115	93	114	120	126	135
Hay and forage	105	104	109	104	108	102	109	115
Food grains	107	102	114	120	142	141	131	124
Sugar crops	116	127	112	104	130	128	116	118
Cotton	145	187	175	158	112	142	193	146
Tobacco	86	88	88	101	110	108	97	102
Oil crops	121	131	155	127	153	132	175	180
Cropland used for crops	100	98	103	106	108	109	111	108
Crop production per acre ..	112	115	116	104	112	111	117	121

¹ For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency*, Statistical Bulletin 612. ² Preliminary indexes for 1978 based on January 16, 1979 *Crop Production 1978 annual summary* and other releases of the Crop Reporting Board, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1977	1978					
	1976	1977	1978 p	Dec	July	Aug	Sept	Oct	Nov	Dec
1967=100										
Prices Received										
All farm products	186	183	210	181	215	211	216	217	216	222
All crops	197	192	203	183	213	208	204	200	202	205
Food grains	202	156	191	176	190	191	191	195	198	197
Feed grains and hay	218	181	184	172	186	176	174	174	178	183
Feed grains	214	174	180	167	184	173	170	171	175	181
Cotton	265	270	245	216	251	255	250	265	272	258
Tobacco	163	175	191	183	186	194	206	199	201	205
Oil-bearing crops	205	243	226	204	228	224	225	229	234	237
Fruit	129	163	227	182	262	248	279	247	213	207
Fresh market ¹	126	159	236	190	277	261	299	259	217	212
Commercial vegetables	161	175	186	159	188	159	164	159	163	173
Fresh market	173	195	209	176	221	190	202	191	169	215
Potatoes ²	201	194	206	178	334	256	179	158	166	169
Livestock and products	177	175	216	180	217	217	226	232	228	237
Meat animals	170	168	225	174	228	228	238	248	236	247
Dairy products	192	193	210	203	201	208	217	224	230	234
Poultry and eggs	178	174	185	170	197	185	189	182	189	198
Prices Paid										
Commodities and services,										
interest, taxes, and wage rates	191	202	219	203	220	221	223	224	225	226
Production items	193	200	216	199	216	217	220	222	222	225
Feed	191	186	183	177	184	179	178	179	184	187
Feeder livestock	154	158	221	158	227	227	239	247	241	250
Interest payable per acre on farm real estate debt ..	287	331	396	331	396	396	396	396	396	396
Taxes on farm real estate	178	195	207	195	207	207	207	207	207	207
Wage rates (seasonally adjusted)	210	226	242	220	243	243	243	237	237	237
Production items, interest, taxes, and wage rates ..	198	208	226	207	228	227	229	231	231	233
Prices received (1910-14=100)	464	457	524	452	537	527	539	545	539	555
Prices paid, etc. (Parity index) (1910-14=100)	650	687	744	691	749	750	757	761	764	770
Parity ratio ³	71	66	70	65	72	70	71	72	71	72

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. p. Preliminary.

Prices received by farmers, U.S. average

	Annual ^a			1977	1978					
	1976	1977	1978 p	Dec	July	Aug	Sept	Oct	Nov	Dec
Crops										
All wheat (\$/bu.)	3.15	2.29	2.82	2.47	2.80	2.88	2.92	2.99	3.04	3.01
Rice, rough (\$/cwt.)	6.90	7.94	9.28	11.00	9.49	8.44	7.56	7.62	7.76	7.98
Corn (\$/bu.)	2.49	2.03	2.10	1.97	2.16	2.00	1.98	1.97	2.02	2.09
Sorghum (\$/cwt.)	4.00	3.11	3.45	3.05	3.50	3.37	3.23	3.36	3.44	3.63
All hay, baled (\$/ton)	58.00	57.10	49.90	49.50	49.20	49.00	47.80	47.10	46.40	47.30
Soybeans (\$/bu.)	5.58	6.82	6.28	5.68	6.33	6.21	6.19	6.26	6.39	6.49
Cotton, Upland (cts./lb.)	59.7	60.9	55.0	47.9	56.5	57.4	56.2	59.6	61.1	58.1
Potatoes (\$/cwt.)	4.14	3.90	3.99	3.12	7.41	5.44	3.61	3.03	3.15	3.12
Dry edible beans (\$/cwt.)	16.40	17.50	18.60	22.50	17.60	17.00	14.60	16.20	16.60	16.90
Apples for fresh use (cts./lb.)	10.1	12.3	16.4	12.6	22.8	15.0	15.8	13.6	13.9	13.7
Pears for fresh use (\$/ton)	178	145	1320	201	—	324	305	274	284	281
Oranges, all uses (\$/box) ³	1.64	2.94	4.72	3.75	4.63	5.30	6.20	5.25	4.79	4.64
Grapefruit, all uses (\$/box) ³	1.45	1.67	2.39	1.88	3.06	3.01	6.42	4.32	1.78	1.64
Livestock										
Beef cattle (\$/cwt.)	33.90	34.50	48.20	35.50	49.80	48.80	51.60	53.20	51.50	54.10
Calves (\$/cwt.)	34.50	36.80	58.10	37.50	59.90	61.70	65.40	66.60	66.50	71.90
Hogs (\$/cwt.)	43.00	40.00	47.10	41.50	45.20	47.50	47.60	51.10	46.70	48.00
Lambs (\$/cwt.)	47.60	51.40	63.10	56.90	58.70	58.90	64.50	62.80	61.90	65.10
All milk, sold to plants (\$/cwt.)	9.66	9.71	10.60	10.20	10.10	10.50	10.90	11.30	11.60	11.80
Milk, manuf. grade (\$/cwt.)	8.57	8.71	9.67	9.19	9.26	9.58	9.92	10.50	10.70	10.90
Broilers (cts./lb.)	23.1	23.5	26.5	20.2	32.8	26.7	26.7	24.8	24.7	24.9
Eggs (cts./doz.) ³	58.8	54.2	52.5	53.6	48.3	52.0	53.7	52.3	56.8	61.6
Turkeys (cts./lb.)	31.8	34.8	41.7	40.2	41.8	42.9	43.5	45.1	46.6	49.6
Wool (cts./lb.) ⁴	65.1	71.4	76.3	69.3	78.6	75.3	77.8	78.6	79.7	76.8

¹ Ten month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. ^a Calendar year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	Annual	1978								
	1978	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1967=100										
Consumer price index, all items	195.4	191.5	193.3	195.3	196.7	197.8	199.3	200.9	202.0	202.9
Consumer price index, less food	191.2	187.4	189.0	190.6	192.0	193.3	195.1	196.7	197.8	198.6
All food	211.4	207.5	210.3	213.8	215.0	215.4	215.6	216.8	217.8	219.4
Food away from home	218.4	214.0	215.8	217.8	219.9	221.7	223.2	224.6	225.9	227.4
Food at home	210.2	206.5	209.7	213.9	214.7	214.5	214.1	215.4	216.1	217.9
Meats ¹	206.8	200.8	206.2	216.5	214.5	213.2	212.7	215.3	217.6	219.4
Beef and veal	201.0	191.9	201.0	216.0	213.0	211.6	209.7	211.3	212.5	215.4
Pork	213.1	211.5	211.3	215.8	214.4	212.4	213.7	218.7	222.6	223.4
Poultry	172.9	169.3	171.0	178.4	185.2	179.1	177.9	177.3	176.0	177.6
Fish	275.4	271.6	272.8	273.5	275.6	277.2	280.0	281.7	285.4	286.5
Eggs	157.8	155.3	147.4	137.0	146.5	164.1	161.9	159.1	167.0	179.5
Dairy products ²	185.6	181.6	183.5	184.8	185.3	186.1	188.8	191.1	193.2	196.4
Fats and oils ²	209.6	204.5	207.9	210.9	213.5	214.5	215.4	216.3	216.9	217.6
Fruits and vegetables	212.9	210.9	219.3	223.5	225.6	221.4	216.2	216.3	210.4	209.7
Fresh	218.5	217.3	233.3	240.1	242.5	233.8	222.5	221.5	207.7	203.2
Processed	208.7	205.7	205.9	207.0	208.8	209.7	211.2	212.5	215.3	218.9
Cereals and bakery products	199.9	195.2	197.5	199.6	201.3	203.1	203.8	205.1	206.6	207.9
Sugar and sweets	257.5	254.9	256.4	259.0	260.4	262.0	261.8	262.3	263.8	264.9
Beverages, nonalcoholic	340.8	342.9	341.6	341.6	341.6	340.7	339.8	340.4	340.9	341.7
Apparel commodities less footwear	154.2	153.5	154.8	154.7	152.5	154.1	156.5	157.7	158.4	157.0
Footwear	163.8	161.7	163.4	163.8	162.1	163.5	165.7	167.8	169.1	169.6
Tobacco products	177.2	173.9	174.0	174.9	179.9	180.6	180.8	181.0	180.9	180.9
Beverages, alcoholic	159.8	157.9	159.2	159.5	160.1	161.0	162.0	163.1	163.9	164.8

¹ Beef, veal, lamb, pork, and Processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
	1967=100									
Finished goods ¹	163.4	170.3	180.6	185.5	196.0	195.6	196.9	199.7	200.6	202.4
Consumer foods	181.0	180.2	189.1	192.9	210.4	205.9	209.4	212.5	212.0	215.8
Fruits and vegetables ²	183.7	178.4	192.2	169.5	252.3	215.2	209.8	225.9	217.4	218.3
Eggs	159.8	179.1	162.0	166.3	150.2	158.1	167.8	156.3	177.9	189.0
Bakery products	178.6	180.0	186.5	192.0	202.6	203.3	204.9	207.8	210.2	210.4
Meats	188.7	173.6	170.7	183.6	213.2	206.9	215.5	222.1	211.7	220.3
Beef and veal	176.3	156.0	157.5	168.5	213.2	196.8	210.0	209.7	198.4	200.2
Pork	214.7	201.4	190.1	207.0	213.1	219.3	223.9	240.7	229.1	230.8
Poultry	184.1	166.2	173.3	160.0	231.5	199.2	203.5	184.4	188.9	193.9
Fish	218.7	272.4	294.3	294.8	313.4	316.6	329.9	337.7	343.7	352.1
Dairy products	155.8	168.5	173.4	178.2	186.1	190.8	192.9	197.0	199.6	202.7
Processed fruits and vegetables	169.8	170.2	187.3	194.4	200.3	203.3	204.9	210.3	216.3	218.4
Refined sugar ³	n.a.	n.a.	n.a.	100.0	106.7	106.8	108.2	110.6	116.2	112.8
Vegetable oil and products	211.5	174.2	198.1	197.4	217.6	208.6	212.9	212.2	210.4	211.7
Consumer finished goods less foods	153.1	161.8	172.1	176.2	184.6	185.3	186.0	188.6	189.5	190.8
Beverages, alcoholic	134.7	138.1	139.7	142.0	147.0	148.7	149.6	151.1	152.7	153.7
Beverages, nonalcoholic	186.1	187.2	198.1	203.5	211.7	211.7	212.5	219.1	220.2	221.0
Apparel	133.4	139.9	147.3	149.4	152.8	153.3	153.2	154.3	155.2	155.4
Footwear	147.8	158.9	168.7	171.6	182.2	184.5	186.5	191.2	192.7	194.9
Tobacco products	149.6	163.0	179.8	190.1	205.1	205.1	205.1	203.7	203.7	203.8
Intermediate materials ⁴	180.0	189.3	201.7	205.4	216.0	217.3	218.7	220.7	221.8	222.8
Materials for food manufacturing	209.4	180.6	181.7	185.9	203.9	203.3	208.1	210.0	207.9	210.7
Flour	163.4	147.8	118.9	122.4	143.0	143.7	144.0	145.6	151.7	150.9
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	105.8	109.8	112.0	115.0	113.6	114.9
Crude vegetable oils	208.1	162.5	197.5	196.6	225.1	222.2	243.1	232.7	218.5	222.9
Crude materials ⁴	196.9	205.1	214.4	215.5	245.4	240.2	244.9	249.9	248.6	252.4
Foodstuffs and feedstuffs	191.8	190.1	190.9	190.0	222.0	213.2	218.5	224.4	221.3	224.7
Fruits and vegetables ²	183.7	178.4	192.2	169.5	252.3	215.2	209.8	225.9	217.4	218.3
Grains	223.9	205.9	165.0	167.3	183.8	178.9	176.9	182.0	189.0	184.7
Livestock	187.8	173.3	173.0	182.7	226.8	216.6	226.8	235.1	222.4	230.1
Poultry, live	189.8	166.9	175.4	157.8	246.5	204.8	211.1	184.9	192.4	198.5
Fibers, plant and animal	153.1	223.9	202.3	161.0	189.9	197.5	201.2	210.3	211.5	212.8
Milk	180.2	201.2	202.6	210.1	216.3	220.5	225.9	231.8	235.8	241.2
Oilseeds	198.5	204.4	236.7	204.2	232.2	223.9	219.5	226.7	227.7	235.6
Coffee, green	177.8	305.5	505.1	433.8	370.4	334.4	372.1	364.8	374.2	355.3
Tobacco, leaf	n.a.	164.2	176.1	183.5	186.2	194.9	206.8	n.a.	201.6	205.7
Sugar, raw cane	316.2	185.5	149.5	n.a.	182.7	194.7	193.3	206.9	192.5	195.6
All commodities	174.9	183.0	194.2	198.2	210.6	210.4	212.3	215.0	215.7	217.4
Industrial commodities	171.5	182.4	195.1	200.0	209.9	211.2	212.4	214.7	216.0	217.0
All foods ⁵	186.0	178.9	186.8	190.5	210.7	206.1	209.7	213.2	211.7	215.5
Farm products and processed foods and feeds	184.2	183.1	188.8	189.4	210.5	205.3	209.5	213.6	212.5	216.1
Farm products	186.7	191.0	192.5	188.3	219.9	210.3	215.3	220.7	219.2	222.4
Processed foods and feeds	182.6	178.0	186.1	189.3	204.5	201.8	205.5	209.0	208.1	211.9
Cereal and bakery products	178.0	172.1	173.2	182.1	191.9	191.7	190.9	193.2	195.8	196.4
Sugar and confectionery	254.3	190.9	177.4	179.0	196.5	201.0	202.5	205.4	202.6	204.5
Beverages	162.4	173.5	200.9	201.3	198.8	197.2	197.8	201.1	201.4	202.3
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	215.1	234.9	241.4	248.7	253.1	248.3	249.1

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available. Annuals for 1978 will be available in next issue.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1977p	1978p					
	1976	1977	1978p	Dec	July	Aug	Sept	Oct	Nov	Dec
Market basket ¹ :										
Retail cost (1967=100)	175.4	179.2	199.4	181.8	204.5	204.3	203.9	205.1	205.9	207.6
Farm value (1967=100)	177.8	178.1	207.4	179.6	216.2	210.4	213.1	213.9	209.1	218.5
Farm-retail spread (1967=100)	174.0	180.0	194.5	183.2	197.4	200.5	198.2	199.8	203.9	201.0
Farm value/retail cost (%)	38.3	37.5	39.3	37.3	39.9	38.9	39.5	39.4	38.4	39.7
Meat Products:										
Retail cost (1967=100)	178.5	174.3	206.8	178.3	214.5	213.2	212.7	215.3	217.6	219.4
Farm value (1967=100)	170.1	169.8	211.5	177.5	216.3	212.7	219.6	2224.6	215.0	231.9
Farm-retail spread (1967=100)	189.5	180.0	200.6	179.3	212.2	213.8	203.7	203.2	221.0	203.2
Farm value/retail cost (%)	53.8	55.0	57.8	56.2	56.9	56.3	58.3	58.9	55.8	59.7
Dairy products:										
Retail cost (1967=100)	168.5	173.3	185.5	176.9	185.3	186.1	188.8	191.1	193.2	196.4
Farm value (1967=100)	185.9	187.2	204.2	191.3	201.8	207.0	207.5	214.4	216.9	219.8
Farm-retail spread (1967=100)	153.3	161.3	169.3	164.4	170.9	167.9	172.5	170.8	172.6	176.0
Farm value/retail cost (%)	51.4	50.3	51.2	50.3	50.7	51.8	51.2	52.2	52.3	52.1
Poultry:										
Retail cost (1967=100)	157.0	158.1	172.9	153.6	185.2	179.1	177.9	177.3	176.0	177.6
Farm value (1967=100)	174.4	178.5	202.8	157.1	253.0	211.4	213.5	202.2	198.8	193.6
Farm-retail spread (1967=100)	140.2	138.4	143.9	150.2	119.6	147.9	143.4	153.2	154.0	162.1
Farm value/retail cost (%)	54.6	55.5	57.7	50.3	67.2	58.0	59.0	56.1	55.6	53.6
Eggs:										
Retail cost (1967=100)	174.9	169.1	157.8	148.6	146.5	164.1	161.9	159.1	167.0	179.5
Farm value (1967=100)	201.9	187.5	178.6	154.9	161.3	194.7	188.1	178.3	192.7	213.0
Farm-retail spread (1967=100)	135.8	142.5	127.6	139.4	125.1	119.9	124.1	131.3	129.9	131.1
Farm value/retail cost (%)	68.2	65.5	66.9	61.6	65.1	70.1	68.7	66.2	68.2	70.1
Cereal and bakery products:										
Retail cost (1967=100)	180.8	183.7	199.9	189.0	201.3	203.1	203.8	205.1	206.6	207.9
Farm value (1967=100)	162.3	138.2	163.8	149.7	166.2	164.5	162.0	164.6	164.2	164.6
Farm-retail spread (1967=100)	184.6	193.2	207.4	197.1	208.6	211.1	212.5	213.5	215.4	216.9
Farm value/retail cost (%)	15.4	12.9	14.1	13.6	14.2	13.9	13.6	13.8	13.6	13.6
Fresh fruits:										
Retail cost (1967=100)	161.3	187.9	230.1	193.5	254.8	268.4	264.7	258.1	225.6	208.4
Farm value (1967=100)	146.7	177.2	228.8	192.4	271.9	245.5	264.7	236.2	192.0	193.9
Farm-retail spread (1967=100)	167.8	192.7	230.7	194.0	247.2	278.7	264.7	267.9	240.7	214.9
Farm value/retail cost (%)	28.2	29.2	30.8	30.8	33.1	28.3	31.0	28.4	26.4	28.8
Fresh vegetables:										
Retail costs (1967=100)	179.1	200.6	216.2	189.5	243.5	216.1	198.5	200.1	200.1	203.8
Farm value (1967=100)	184.4	205.4	217.2	158.1	293.5	213.3	189.8	170.6	178.7	187.4
Farm-retail spread (1967=100)	176.5	198.3	215.8	204.3	220.0	217.4	202.6	214.0	210.2	211.5
Farm value/retail cost (%)	32.9	32.8	32.1	26.7	38.5	31.6	30.6	27.3	28.6	29.4
Processed fruits and vegetables:										
Retail cost (1967=100)	181.7	190.2	208.7	199.2	208.8	209.7	211.2	212.5	215.3	218.9
Farm value (1967=100)	202.8	188.5	213.2	197.4	215.6	215.0	214.5	214.8	213.7	213.3
Farm-retail spread (1967=100)	177.1	190.6	207.7	199.6	207.3	208.5	210.5	212.0	215.6	220.1
Farm value/retail cost (%)	20.2	18.0	18.5	18.0	18.7	18.6	18.4	18.3	18.0	17.7
Fats and oils:										
Retail costs (1967=100)	176.7	192.0	209.6	196.1	213.5	214.5	215.4	216.3	216.9	217.6
Farm value (1967=100)	206.4	249.3	257.6	237.5	264.3	267.2	271.6	262.4	247.3	258.8
Farm-retail spread (1967=100)	165.2	169.9	191.1	180.2	194.0	194.2	193.8	198.6	205.2	201.8
Farm value/retail cost (%)	32.5	36.1	34.1	33.6	34.4	34.6	35.0	33.7	31.7	33.0

¹ Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1977	1978p					
	1976	1977	1978p	Dec	July	Aug	Sept	Oct	Nov	Dec
Beef, Choice: ¹										
Retail price ² (cts./lb.)	148.2	148.4	181.8	155.7	191.6	189.3	187.4	187.6	187.8	192.3
Net carcass value ³ (cts.)	91.5	93.8	119.3	101.5	125.3	118.5	121.8	121.4	119.2	125.6
Net farm value ⁴ (cts.)	84.1	85.5	111.1	92.1	116.8	109.5	113.0	112.7	111.2	117.5
Farm-retail spread (cts.)	64.1	62.9	70.7	63.6	74.8	79.8	74.4	74.9	76.6	74.8
Carcass-retail spread ⁵ (cts.)	56.7	54.6	62.5	54.2	66.3	70.8	65.6	66.2	68.6	66.7
Farm-carcass spread ⁶ (cts.)	7.4	8.3	8.2	9.4	8.5	9.0	8.8	8.7	8.0	8.1
Farm value/retail price (%)	57	58	61	59	61	58	60	60	59	61

Farm:retail price spreads—Continued

	Annual			1977	1978p					
	1976	1977	1978p	Dec	July	Aug	Sept	Oct	Nov	Dec
Pork: ¹										
Retail Price ² (cts./lb.)	134.0	125.4	143.5	130.5	144.2	144.4	145.5	149.4	150.4	149.9
Wholesale value ³ (cts.)	105.2	99.0	107.7	106.7	104.7	107.5	110.7	114.8	111.0	112.2
Net farm value ⁴ (cts.)	71.0	65.6	76.6	70.3	73.9	76.8	78.6	82.6	76.6	78.5
Farm-retail spread (cts.)	63.0	59.8	66.9	60.2	70.3	67.6	66.9	66.8	73.8	71.4
Wholesale-retail spread ⁵ (cts.)	28.8	26.4	35.8	23.8	39.5	36.9	34.8	34.6	39.4	37.7
Farm-wholesale spread ⁶ (cts.)	34.2	33.4	31.1	36.4	30.8	30.7	32.1	32.2	34.4	33.7
Farm value/retail price (%)	53	52	53	54	51	53	54	55	51	52

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Market basket of farm foods

	1976		1977				1978p			
	III	IV	I	II	III	IV	I	II	III	IV
Market basket ¹ :										
Retail cost (1967=100)	176.0	173.5	177.1	178.8	180.3	180.6	188.1	199.1	204.2	206.2
Farm value (1967=100)	177.9	167.6	175.5	178.6	179.8	178.7	191.2	211.1	213.2	213.8
Farm-retail spread (1967=100)	174.9	177.1	178.0	178.9	180.6	181.8	186.1	191.8	198.7	201.6
Farm value/retail cost (%)	38.2	36.5	37.4	37.7	37.7	37.3	38.4	40.0	39.4	39.2
Meat products:										
Retail cost (1967=100)	180.7	175.2	170.7	171.5	177.1	177.6	188.5	207.8	213.5	217.4
Farm value (1967=100)	167.3	152.0	160.5	170.6	174.2	173.9	190.3	215.8	216.2	223.8
Farm-retail spread (1967=100)	198.2	191.8	183.9	172.7	181.0	182.5	186.0	197.5	209.9	209.1
Farm value/retail cost (%)	52.3	50.7	53.1	56.2	55.5	55.3	57.0	58.6	57.2	58.1
Dairy products:										
Retail cost (1967=100)	168.3	171.7	170.9	172.4	173.9	176.2	178.6	183.3	186.7	193.6
Farm value (1967=100)	188.9	184.4	182.1	185.4	190.7	190.6	194.5	199.8	205.4	217.0
Farm-retail spread (1967=100)	150.4	160.6	161.1	161.0	159.2	163.7	164.7	169.0	170.4	173.1
Farm value/retail cost (%)	52.2	50.0	49.6	50.1	51.1	50.4	50.7	50.7	51.2	52.2
Poultry:										
Retail cost (1967=100)	159.8	146.5	153.8	159.5	162.2	157.0	161.1	172.9	180.7	177.0
Farm value (1967=100)	181.6	153.3	170.8	186.0	189.5	167.6	178.4	208.6	226.0	198.2
Farm-retail spread (1967=100)	138.7	139.9	137.3	133.9	135.7	146.8	144.1	138.3	137.0	156.5
Farm value/retail cost (%)	55.9	51.5	54.6	57.3	57.5	52.5	54.5	59.3	61.5	55.1
Eggs:										
Retail cost (1967=100)	176.9	189.1	200.5	154.5	166.9	154.4	158.6	146.6	157.5	168.5
Farm value (1967=100)	207.7	223.1	227.6	168.0	187.7	166.7	184.2	154.4	181.3	194.7
Farm-retail spread (1967=100)	132.5	140.0	161.4	135.1	136.8	136.5	121.8	135.3	123.1	130.7
Farm value/retail cost (%)	69.4	69.7	67.1	64.2	66.5	63.8	68.6	62.2	68.0	68.3
Cereal and bakery products:										
Retail cost (1967=100)	180.3	180.6	181.2	183.6	183.1	187.2	192.9	197.4	202.7	206.5
Farm value (1967=100)	159.3	137.0	140.5	136.4	132.1	144.0	156.7	169.9	164.1	164.5
Farm-retail spread (1967=100)	184.6	189.6	189.6	193.3	193.6	196.1	199.4	203.1	210.7	215.2
Farm value/retail cost (%)	15.2	13.0	13.3	12.7	12.4	13.2	13.7	14.8	13.9	13.7
Fresh fruits:										
Retail cost (1967=100)	172.2	170.3	172.7	188.7	198.8	191.3	198.4	228.8	262.6	230.7
Farm value (1967=100)	166.3	166.0	157.3	164.5	190.7	196.7	206.2	240.9	260.7	207.4
Farm-retail spread (1967=100)	174.9	172.2	179.6	199.6	202.5	188.9	194.9	223.3	263.5	241.2
Farm value/retail cost (%)	29.9	30.2	28.2	27.0	29.7	31.9	32.2	32.6	30.8	27.9
Fresh vegetables:										
Retail cost (1967=100)	174.5	176.2	210.0	220.6	189.4	182.2	206.0	238.2	219.4	201.3
Farm value (1967=100)	170.6	187.6	258.0	204.3	179.2	180.4	186.9	270.8	232.2	178.9
Farm-retail spread (1967=100)	176.4	170.8	187.5	228.2	194.1	183.1	215.0	222.9	213.3	211.9
Farm value/retail cost (%)	31.3	34.1	39.3	29.6	30.3	31.6	29.0	36.4	33.8	28.4
Processed fruits and vegetables:										
Retail cost (1967=100)	180.5	182.7	184.7	189.1	191.2	196.0	203.1	206.2	209.9	215.6
Farm value (1967=100)	199.7	200.0	183.0	186.4	187.9	196.7	208.0	216.7	215.0	214.0
Farm-retail spread (1967=100)	176.3	178.9	185.1	189.7	191.9	195.8	202.0	203.9	208.8	215.9
Farm value/retail cost (%)	20.0	19.8	18.0	17.9	17.8	18.2	18.6	19.0	18.6	18.0
Fats and oils:										
Retail cost (1967=100)	171.9	178.6	181.1	189.0	200.5	197.2	199.1	207.8	214.5	216.9
Farm value (1967=100)	231.9	227.4	243.9	295.0	235.6	222.6	232.4	273.9	267.9	256.1
Farm-retail spread (1967=100)	148.9	159.8	157.0	148.2	187.0	187.4	186.4	182.3	194.0	201.9
Farm value/retail cost (%)	37.5	35.4	37.4	43.4	32.6	31.4	32.4	36.6	34.7	32.8

¹ Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1977	1978					
	1976	1977	1978	Dec	July	Aug	Sept	Oct	Nov	Dec
Rail freight rate index ¹										
All products (1969=100)	186.6	199.1	213.0	207.7	215.2	215.7	215.8	215.8	216.3	231.0
Farm products (1969=100)	182.7	191.3	204.9	200.1	206.7	207.3	207.3	207.4	207.6	220.7
Food products (1969=100)	185.1	195.3	210.0	204.0	212.9	212.9	212.9	212.6	213.1	228.2
Rail carloadings of grain (thou. cars) ²	25.5	23.9	25.8	22.4	28.6	29.2	24.4	28.5	27.6	24.8
Barge shipments of grain (mil. bu.) ³	31.0	29.3	31.3	27.0	31.1	38.0	32.2	37.6	33.1	26.7
Fresh fruit and vegetable shipments										
Rail (1000 cwt) ^{3, 4, 5}	63.8	1,552	928	1,151	1,007	586	480	843	921	865
Truck (1000 cwt) ^{3, 4, 5}	617.0	6,596	6,830	6,838	7,308	5,709	5,704	6,379	7,151	7,400

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average, from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1977 and 1978. ⁵ Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

⁶ Thousand carlots.

Livestock and Products

Livestock and products output and prices

	1976	1977			1978					1979	
	Annual	III	IV	Annual	I	II	III	IV	Annual	I ¹	II ¹
Beef (mil. lb.)	25,667	6,321	6,220	24,986	6,104	5,936	5,921	6,041	24,002	6,020	5,480
Change (pct.) ²	+8	-4	-3	-3	-3	-4	-6	-3	-4	-3	-8
Pork (mil. lb.)	12,488	3,073	3,500	13,051	3,242	3,264	3,158	3,540	13,204	3,420	3,480
Change (pct.) ²	+8	+2	-5	+5	-2	+3	+3	-1	+1	+5	+7
Veal (mil. lb.)	813	205	201	794	178	149	139	133	599	95	65
Change (pct.) ²	-2	0	-10	-2	-11	-20	-32	-34	-25	-47	-56
Lamb and mutton (mil. lb.)	361	84	81	341	75	76	73	76	300	77	74
Change (pct.) ²	-10	-9	-12	-6	-17	-12	-13	-6	-12	+3	-3
Red meats (mil. lb.)	39,329	9,683	10,002	39,172	9,599	9,425	9,291	9,790	38,105	9,612	9,099
Change (pct.) ²	+8	-2	-4	0	-3	-2	-4	-2	-3	0	-3
Broilers (mil. lb.)	8,988	2,424	2,248	9,227	2,327	2,547	2,567	2,440	9,881	2,560	2,750
Change (pct.) ²	+13	+2	+3	+3	+8	+6	+6	+9	+7	+10	+8
Turkeys (mil. lb.)	1,950	672	645	1,892	228	400	680	685	1,993	285	480
Change (pct.) ²	+14	-5	-3	-3	+9	+10	+1	+6	+5	+25	+20
Total meats (mil. lb.)	50,267	12,779	12,895	50,291	12,154	12,372	12,538	12,915	49,979	12,457	12,329
Change (pct.) ²	+9	-2	-3	0	-1	0	-2	0	0	+2	0
Eggs (mil. doz.)	5,377	1,333	1,411	5,408	1,378	1,394	1,380	1,444	5,596	1,390	1,405
Change (pct.) ²	0	0	+4	+1	+4	+4	+4	+2	+3	+1	+1
Milk (bil. lb.)	120.3	30.9	29.0	³ 123.0	29.9	32.8	30.6	29.0	122.3	30.2	33.3
Change (pct.) ²	+4	+3	+2	+2	0	-1	-1	0	-1	+1	+1
Total livestock and products (1974=100)	105.5	107.6	106.4	106.2	103.0	107.3	106.1	106.6	105.6	104.7	107.3
Change (pct.) ¹	+6.6	-5	-7	+7	-1	-2	-1.4	+2	-6	+1.6	0

Prices

Choice steers, Omaha (\$ per cwt.)	39.11	40.47	42.42	40.38	45.77	55.06	53.75	54.43	—	58-60	59-61
Barrows and gilts, 7-markets (\$ per cwt.)	43.11	43.85	41.38	41.07	47.44	47.84	48.52	50.05	—	48-50	45-47
Broilers, 9-city wholesale (cts. per lb.) ⁴	40.2	42.4	37.6	40.8	41.8	47.6	46.6	42.1	44.5	44-46	44-46
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	48.8	53.1	61.3	54.0	60.2	61.4	68.2	77.1	66.7	67-69	62-64
Eggs, carton, Grade A large, N.Y. (cts. per doz)	70.3	61.5	58.9	63.3	62.0	53.8	63.0	67.8	61.6	66-68	56-58
Milk, all at farm, (\$ per cwt.)	9.66	9.71	10.17	9.71	10.20	10.03	10.47	11.57	10.58	11.45-11.70	11.00-11.20
Livestock prices received by farmers (1967=100)	177	178	177	175	195	215	220	232	216	232	230

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Meat animals:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	6,369	8,537	8,213	8,567	7,982	7,867	7,835	8,541	9,302	9,315
Placed on feed (thou. head) ²	18,095	18,976	20,817	2,067	1,567	1,757	2,478	2,779	1,890	1,747
Marketings (thou. head)	14,988	18,167	18,720	1,605	1,604	1,674	1,646	1,865	1,717	1,660
Other disappearance (thou. head)	939	1,133	1,383	102	78	115	126	153	160	176
Beef steer-corn price ratio, Omaha (bu.) ³	15.8	15.2	19.9	21.1	25.5	26.5	27.8	26.8	26.3	26.6
Hog-corn price ratio, Omaha (bu.) ³	16.9	16.5	20.2	21.4	21.8	24.5	25.7	25.5	23.5	23.4
Commercial slaughter (thou. head)										
Cattle	40,911	42,654	41,856	3,470	3,060	3,456	3,222	3,406	3,268	3,046
Steers	17,819	18,879	19,342	1,562	1,414	1,583	1,440	1,536	1,520	1,498
Heifers	10,438	12,158	11,748	933	946	1,092	1,063	1,080	990	889
Cows	11,557	10,619	9,864	909	637	705	651	715	693	603
Bulls and stags	1,097	998	902	66	63	76	68	75	65	55
Calves	5,209	5,350	5,517	450	304	347	315	331	316	300
Sheep and lambs	7,835	6,714	6,356	456	423	459	455	476	430	411
Hogs	68,687	73,784	77,303	6,528	5,630	6,479	6,439	6,837	7,038	6,430
Commercial production (mil. lb.)										
Beef	23,673	25,667	24,986	2,045	1,853	2,096	1,973	2,102	2,038	1,901
Veal	827	813	794	63	44	50	45	48	45	40
Lamb and mutton	399	361	341	25	23	25	25	27	25	24
Pork	11,586	12,488	13,051	1,108	962	1,101	1,095	1,176	1,236	1,128
Market prices										
Dol. per 100 pounds										
Slaughter cattle:										
Choice steers, Omaha	44.61	39.11	40.38	43.13	54.59	52.40	54.26	54.93	53.82	55.54
Utility cows, Omaha	21.09	25.31	25.32	25.02	38.09	37.85	39.75	40.46	39.30	41.85
Choice vealers, S. St. Paul	40.44	45.18	48.19	40.50	75.72	81.66	83.25	81.82	78.60	78.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	41.33	60.60	63.08	64.46	64.88	64.85	69.83
Slaughter hogs:										
Barrows and gilts, No. 1&2, Omaha ⁴	50.12	44.70	42.10	45.38	47.82	49.33	50.51	53.15	49.63	51.06
Barrows and gilts, 7-markets	48.32	43.11	41.07	43.99	46.78	48.77	50.00	52.23	48.36	49.57
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	30.38	45.21	50.83	52.91	51.84	47.01	44.49
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	44.45	49.87	54.28	58.75	60.62	59.70	62.88	62.50	62.00	65.83
Ewes, Good, San Angelo	15.34	17.69	19.19	25.75	27.33	28.80	31.88	33.25	34.75	36.67
Feeder lambs:										
Choice, San Angelo	41.40	51.28	55.12	68.83	69.33	76.10	80.38	78.00	79.88	82.33
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	72.55	60.99	62.67	68.10	84.81	79.94	81.96	82.14	80.98	84.75
Canner and Cutter cow beef	42.90	52.00	51.55	51.97	77.62	74.99	77.50	80.25	85.00	87.88
Pork loins, 8-14 lb.	92.69	86.45	83.04	88.70	97.03	93.66	101.78	106.24	95.36	96.06
Pork bellies, 12-14 lb.	78.52	65.27	54.19	51.32	57.93	58.39	60.46	61.58	58.30	67.74
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	92.09	78.07	83.54	90.70	99.71	105.24	99.86

	Annual			1977		1978				1979
	1975	1976	1977	III	IV	I	II	III	IV	I
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	9,622	12,328	11,948	9,765	9,793	12,811	11,716	10,924	11,347	12,665
Placed on feed (thou. head) ²	24,685	25,508	27,647	6,479	9,551	6,490	6,558	7,352	8,656	—
Marketings (thou. head)	20,500	24,170	24,861	6,159	6,085	6,771	6,621	6,523	4,730	—
Other disappearance (thou. head)	1,479	1,718	1,935	292	448	789	734	406	608	—
Hogs and Pigs (14-States):⁶										
Inventory (thou. head) ¹	47,170	41,855	47,120	46,640	49,123	48,308	44,680	47,205	49,300	51,130
Breeding (thou. head) ¹	6,283	6,368	6,788	7,352	7,186	7,324	6,946	7,450	7,463	8,089
Market (thou. head) ¹	40,887	35,487	40,332	39,288	41,937	40,984	37,734	39,755	41,837	43,041
Farrowings (thou. head) ¹	8,417	9,996	10,362	2,600	2,565	2,285	2,870	2,658	2,716	72,564
Pig crop (thou. head)	60,476	72,580	74,161	18,768	18,421	15,626	20,716	19,195	20,027	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding Year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Wool:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. wool price, Boston¹ (cts./lb.)	150	182	183	182	192	192	195	198	202	202
Imported wool price, Boston¹ (cts./lb.)	202	214	224	224	234	234	234	234	235	235
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	94,117	106,629	95,485	7,947	6,192	8,376	9,370	8,066	8,061	n.a.
Carpet wool (thou. lb.)	15,908	15,117	12,526	1,028	769	1,028	1,352	1,182	1,118	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Dairy:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk Production:										
Total milk (mil. lb.)	115,334	120,269	122,957	9,770	10,598	10,259	9,732	9,818	9,404	9,764
Milk per cow (lb.)	10,350	10,879	11,194	893	977	945	897	906	869	902
Number of milk cows (thou.)	11,143	11,055	10,984	10,939	10,851	10,855	10,847	10,837	10,820	10,829
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	7.62	8.48	8.58	8.87	9.33	9.68	9.90	10.18	10.44	10.60
Price of 16% dairy ration (\$/ton)	134	141	140	135	139	136	137	138	143	145
Milk-feed price ratio (lb.) ²	1.40	1.53	1.57	1.72	1.64	1.76	1.81	1.86	1.88	1.88
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,886	3,844	5,708	8,980	11,004	11,752	11,147	10,662	10,048	9,243
Commercial (mil. lb.)	5,576	3,719	5,299	5,191	5,624	5,709	5,585	5,241	4,973	4,611
Government (mil. lb.)	310	124	410	3,790	5,381	6,043	5,562	5,421	5,075	4,631
Imports, total milk equiv. (mil. lb.) ³	1,669	1,943	1,968	397	141	196	171	203	272	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,036	1,236	6,080	5.9	138.4	⁴ -85.9	⁴ -126.8	3.9	⁴ -141.8	⁴ -206.4
Butter:										
Production (mil. lb.)	983.8	978.6	1,085.6	89.5	73.7	64.2	64.5	71.1	66.7	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	193.4	280.9	312.7	282.4	266.6	251.8	230.1
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	101.5	107.9	116.7	115.8	115.6	121.1	118.8
USDA net removals (mil. lb.)	63.4	39.4	221.8	.1	(⁵)	⁴ -6.0	⁴ -6.3	0	⁴ -7.0	⁴ -3.1
Commercial disappearance (mil. lb.)	951.0	919.0	859.8	95.6	72.0	75.1	79.9	73.3	77.6	—
American cheese:										
Production (mil. lb.)	1,654.6	2,048.8	2,042.4	160.1	183.4	167.5	149.2	159.0	153.5	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	435.7	444.9	450.6	451.8	432.5	409.9	383.5
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	100.1	102.9	109.1	110.8	115.5	117.1	119.4
USDA net removals (mil. lb.)	68.2	38.0	148.2	.1	13.6	3.5	0	0	0	0
Commercial disappearance (mil. lb.)	1,717.1	1,920.9	1,958.1	174.5	168.5	177.3	169.0	173.9	177.7	—
Other cheese:										
Production (mil. lb.)	1,156.8	1,274.1	1,315.5	121.4	113.6	117.1	115.7	120.4	122.8	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	62.4	76.9	76.2	73.1	79.4	76.1	73.0
Commercial disappearance (mil. lb.)	1,331.9	1,458.0	1,512.3	159.0	130.6	139.8	128.0	144.8	152.7	—
Nonfat dry milk:										
Production (mil. lb.)	1,001.5	926.2	1,106.0	78.0	98.2	78.6	59.1	49.0	41.9	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	671.7	701.6	713.6	701.7	681.5	636.8	601.4
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	68.1	71.3	71.5	72.5	73.2	74.7	—
USDA net removals (mil. lb.)	394.4	157.1	461.7	20.3	46.3	18.8	7.7	6.9	4.9	3.4
Commercial disappearance (mil. lb.)	697.0	719.2	681.6	54.4	52.0	80.2	62.8	54.3	52.6	—
Frozen dessert Production (mil. gal.) ⁴	1,183.9	1,154.0	1,147.4	71.7	119.4	123.1	103.1	90.6	79.2	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic sales exceeded purchases. ⁵ Less than 50,000 Pounds. ⁶ Ice cream, ice milk, and sherbet.

Poultry and eggs:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Eggs										
Farm Production (mil.)	64,586	64,520	64,886	5,801	5,528	5,554	5,478	5,738	5,670	5,922
Average number of layers on farms (mil.)	278	274	275	287	274	276	280	285	290	291
Rate of lay (eggs per layer)	233	235	236	20.2	20.2	20.1	19.5	20.1	19.6	20.3
Cartoned Price, New York, grade A										
large (cts./doz.) ¹	63.9	70.3	63.3	64.0	62.8	62.6	63.8	62.1	68.8	72.6
Price of laying feed (\$/ton)	147	151	152	145	155	150	149	150	154	156
Egg-feed Price ratio (lb.) ²	7.0	7.8	7.3	7.4	6.2	6.9	7.2	7.0	7.4	7.9
Stocks, beginning of period:										
Shell (thou. cases)	36	22	28	50	30	29	55	42	23	36
Frozen (mil. lb.)	54.2	36.3	26.1	31.2	26.6	28.0	28.6	28.6	27.6	25.6
Replacement chicks hatched (mil.)	454	492	502	32.5	36.1	38.6	37.2	37.6	35.5	34.6
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	753.2	801.7	930.8	834.0	896.4	779.1	—
Wholesale price, 9-city (cts./lb.)	45.1	40.2	40.8	36.2	50.8	44.1	44.9	42.0	42.0	42.2
Price of broiler grower feed (\$/ton)	163	168	171	160	170	169	168	169	174	174
Broiler-feed Price ratio (lb.) ¹	3.2	2.8	2.7	2.5	3.9	3.2	3.2	2.9	2.8	2.9
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	33.3	21.4	22.0	21.1	21.1	22.8	23.2
Average weekly placements of broiler chicks, 21 States (mil.)	57.7	63.6	66.7	65.3	72.9	68.7	65.9	67.1	68.6	70.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	148.2	199.9	248.8	230.9	271.2	248.9	—
Wholesale price, New York, 8-16 lb.										
Young hens (cts./lb.)	53.2	48.7	54.0	65.8	67.8	68.0	68.7	72.7	78.0	80.5
Price of turkey grower feed (\$/ton)	167	174	184	177	186	182	180	183	185	185
Turkey-feed Price ratio (lb.) ²	4.2	3.7	3.9	4.5	4.5	4.7	4.8	4.9	5.0	5.4
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	269.4	152.1	212.7	297.9	370.4	430.1	235.7
Poults hatched (mil.)	137.1	149.5	148.4	8.5	15.0	9.6	5.6	6.4	8.3	10.3

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Crops and Products

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ³			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Wheat:								
		Mil. acres			Mil. hectares			
Area								
Planted	80.2	75.1	66.1	—	32.5	30.3	26.8	—
Harvested	70.8	66.5	56.8	—	28.7	26.8	22.9	—
		Bu. per acre			Metric tons per hectare			
Yield per harvested unit	30.3	30.6	31.6	—	2.1	2.1	2.2	—
		Mil. bu.			Mil. metric tons			
Beginning stocks	665	1,112	1,177	—	18.1	30.3	32.0	—
Production	2,142	2,036	1,799	—	58.3	55.4	49.0	+1 to -1
Imports	3	2	2	—	.1	.1	.1	—
Supply, total	2,810	3,150	2,978	—	76.5	85.7	81.0	+1 to -1
Domestic	748	849	824	+30 to -30	20.4	23.1	22.4	+2 to -2
Exports	950	1,124	1,150	+100 to -100	25.8	30.6	31.3	+3 to -3
Use, total	1,698	1,973	1,974	+125 to -125	46.2	53.7	53.7	+5 to -5
Ending stocks	1,112	1,177	1,004	+125 to -125	30.3	32.0	27.1	+5 to -5
		Dol. per bu.			Dol. per metric ton			
Price received by farmers	2.73	2.33	2.90-3.00	—	100.31	85.61	107-110	—
Price, Kansas City, No. 1 HRW	2.88	2.72	3.28	—	105.82	99.94	120.52	—
Rice:								
		Mil. acres			Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.49	2.26	3.08	—	1.01	.91	1.23	—
Harvested	2.48	2.25	3.06	—	1.00	.91	1.23	—
		Lb. per acre			Metric tons per hectare			
Yield per harvested unit	4,663	4,412	4,505	—	5.23	4.94	5.06	—
		Mil. cwt.			Mil. metric tons			
Beginning stocks	36.9	40.5	27.4	—	1.7	1.8	1.2	—
Production	115.6	99.2	137.8	—	5.2	4.5	6.3	+2 to -2
Imports	.1	.1	—	—	—	—	—	—
Supply, total	152.6	139.8	165.2	—	6.9	6.3	7.5	—
Domestic	42.7	37.6	44.0	+2.0 to -2.0	1.9	1.7	2.0	+1 to -1
Exports	65.6	72.8	67.0	+5.0 to -5.0	3.0	3.3	3.0	+2 to -2
Use, total	108.3	110.4	111.0	+6.0 to -6.0	4.9	5.0	5.0	+3 to -3
Ending stocks	40.5	27.4	54.2	+6.0 to -6.0	1.8	1.2	2.5	+3 to -3
Difference unaccounted	+3.8	+2.0	—	—	+2	—	—	—
		Dol. per cwt.			Dol. per metric ton			
Price received by farmers	7.02	9.49	7.50-7.80	—	154.76	209.22	165-172	—
Price, long-grain milled, S.W. La.	14.60	21.30	16.66	—	321.87	469.58	367.29	—
Feed grains: ⁵								
		Mil. acres			Mil. hectares			
Area								
Planted	128.7	128.9	122.6	—	—	—	—	—
Harvested	106.3	108.2	104.3	—	—	—	—	—
		Metric tons per acre			Metric tons per hectare			
Yield per harvested unit	1.82	1.88	2.08	—	—	—	—	—
		Mil. short tons			Mil. metric tons			
Beginning stocks	—	—	—	—	17.2	29.9	41.2	—
Production	—	—	—	—	193.4	203.4	217.3	+3 to -3
Imports	—	—	—	—	.4	.3	.3	—
Supply, total	—	—	—	—	211.0	233.6	258.8	—
Feed	—	—	—	—	112.6	117.3	126.7	+4 to -4
Food, seed, and industrial uses	—	—	—	—	17.9	18.8	19.6	—
Domestic, total	—	—	—	—	130.5	136.1	146.3	+4 to -4
Exports	—	—	—	—	50.6	56.3	55.9	+3 to -3
Use, total	—	—	—	—	181.1	192.4	202.2	+6 to -6
Ending stocks	—	—	—	—	29.9	41.2	56.6	+6 to -6

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Corn:								
		Mil. acres				Mil. hectares		
Area								
Planted	84.4	83.6	79.7	—	34.2	33.5	31.8	—
Harvested	71.3	70.9	70.0	—	28.9	28.3	27.6	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	87.9	90.7	101.2	—	5.51	5.71	6.03	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	399	884	1,104	—	10.0	22.5	28.0	—
Production	6,266	6,425	7,082	—	159.2	163.2	179.9	+4 to -4
Imports	3	3	1	—	.1	(⁴)	(⁴)	—
Supply, total	6,668	7,312	8,187	—	169.4	185.7	207.9	—
Feed	3,587	3,709	4,000	+150 to -150	91.1	94.2	101.6	+5 to -5
Food, seed, and Industrial uses	513	551	575	—	13.0	14.0	14.6	—
Domestic, total	4,100	4,260	4,575	+150 to -150	104.1	107.8	117.4	+5 to -5
Exports	1,684	1,948	1,950	+100 to -100	42.8	49.5	49.5	+4 to -4
Use, total	5,784	6,208	6,525	+200 to -200	146.9	157.7	165.7	+8 to -8
Ending stocks	884	1,104	1,662	+200 to -200	22.5	28.0	42.2	+6 to -6
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.15	³ 2.02	2.05	2.15	—	³ 79.92	81-85	—
Price, Chi., No. 2 yellow	2.30	2.26	⁴ 2.26	—	90.55	88.97	⁴ 88.97	—
Soybeans:								
		Mil. acres				Mil. hectares		
Area								
Planted	50.2	58.8	64.0	—	20.3	23.8	25.9	—
Harvested	49.4	57.6	63.0	—	20.0	23.3	25.5	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	26.1	30.6	29.2	—	1.76	2.06	1.96	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	245	103	161	—	6.7	2.8	4.4	—
Production	1,288	1,762	1,843	—	35.1	48.0	50.2	—
Supply, total	1,533	1,865	2,004	—	41.7	50.8	54.5	—
Crushings	790	927	1,000	+40 to -40	21.5	25.2	27.2	+1.1 to -1.1
Exports	564	700	760	+40 to -40	15.3	19.1	20.7	+1.1 to -1.1
Seed, feed, and residual	76	77	84	—	2.1	2.1	2.3	—
Use, total	1,430	1,704	1,844	+60 to -60	38.9	46.4	50.2	+1.6 to -1.6
Ending stocks	103	161	160	+50 to -50	2.8	4.4	4.4	+1.4 to -1.4
		Dol. per bu.				Dol. per metric ton		
Price received by farmers ⁵	6.81	5.88	6.40	+ .30 to -.30	250	216	235	+11 to -11
Price, Chi., No. 1 yellow	7.36	6.11	⁶ 6.27	—	270.43	224.50	⁶ 245.08	—
Soybean oil:		Mil. lb.				Thou. metric tons		
Beginning stocks	1,251	767	729	—	567	348	331	—
Production	8,578	10,288	10,801	+400 to -400	3,891	4,667	4,899	+180 to -180
Supply, total	9,829	11,055	11,530	+400 to -400	4,458	5,015	5,230	+180 to -180
Domestic	7,515	8,269	8,700	+400 to -400	3,409	3,751	3,946	+180 to -180
Exports	1,547	2,057	1,800	+300 to -300	702	933	816	+140 to -140
Use, total	9,062	10,326	10,500	+400 to -400	4,111	4,684	4,763	+180 to -180
Ending stocks	767	729	1,030	+200 to -200	348	331	467	+90 to -90
		Cts. per lb.				Cts. per kilogram		
Price, crude, Decatur	24	24.6	25	+3 to -3	52.9	54.2	55.1	+6.5 to -6.5
Soybean meal:		Thou. short tons				Thou. metric tons		
Beginning stocks	355	228	243	—	322	207	220	—
Production	18,488	22,371	23,752	+1,000 to -1,000	16,772	20,295	21,547	+900 to -900
Supply, total	18,843	22,599	23,995	+1,000 to -1,000	17,094	20,501	21,768	+900 to -900
Domestic	14,056	16,276	17,400	+800 to -800	12,751	14,765	15,785	+725 to -725
Exports	4,559	6,080	6,250	+400 to -400	4,136	5,516	5,670	+365 to -365
Use, total	18,615	22,356	23,650	+1,000 to -1,000	16,887	20,281	21,455	+900 to -900
Ending stocks	228	243	345	+75 to -75	207	220	312	+70 to -70

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Soybean meal:—Continued								
		Dol. per short ton				Dol. per metric ton		
Price, bulk, Decatur, 44%	199.80	164.20	180.00	+20 to -20	220	181	198	+20 to -20
Cotton:⁷								
		Mil. acres				Mil. hectares		
Area								
Planted	11.7	13.7	13.4	—	4.7	5.5	5.4	—
Harvested	10.9	13.3	12.4	—	4.4	5.4	5.0	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	465	520	421	—	.52	.58	.47	—
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks ⁸	3.7	2.9	5.3	—	.8	.6	1.2	—
Production	10.6	14.4	10.8	+2 to -2	2.3	3.1	2.4	(⁶)
Supply, total ⁹	14.3	17.3	16.2	+2 to -2	3.1	3.8	3.6	(⁶)
Mill use	6.7	6.5	6.3	+2 to -2	1.5	1.4	1.4	(⁶)
Exports	4.8	5.5	6.0	+5 to -5	1.0	1.2	1.3	+1 to -1
Use, total	11.5	12.0	12.3	+5 to -5	2.5	2.6	2.7	+1 to -1
Difference unaccounted ¹⁰ . . . . .	.1	(⁶)	2	—	(⁶)	(⁶)	(⁶)	(⁶)
Ending stocks	¹¹ 2.9	¹¹ 5.3	4.1	+5 to -5	¹¹ .6	¹¹ 1.2	.9	+1 to -1
		Cts. per lb.				Cts. per kilogram		
Price received by farmers	64.1	52.3	¹¹ 60.5	—	141.3	115.3	¹¹ 133.4	—
Price, SLM, 1-1/16 in., spot	70.9	52.7	—	—	156.3	116.2	—	—

¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ²Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.5g 480-pound bales of cotton. ³Season average estimate. ⁴Average for beginning of marketing year through December 1978. ⁵Corn, sorghum, oats, and barley. ⁶Less than 0.05. ⁷Upland and extra long staple. ⁸Based on Census Bureau data. ⁹Includes imports. ¹⁰Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹Average to Jan. 1, 1979.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Feed grains:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Dec	JulY	Aug	Sept	Oct	Nov	Dec
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.75	2.30	2.26	2.19	2.28	2.17	2.13	2.22	2.28	2.27
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.46	3.49	3.54	3.36	3.54	3.41	3.43	3.61	3.67	3.64
Barley, feed, Minneapolis (\$/bu.)	2.38	2.35	1.68	1.65	1.71	1.68	1.77	1.81	1.88	1.79
Barley, malting, Minneapolis (\$/bu.) ²	3.52	3.13	2.27	2.32	2.13	2.19	2.37	2.26	2.47	2.40
Exports:										
Corn (mil. bu.)	1,711	1,684	1,948	154	172	181	177	140	154	*157
Feed grains (mil. metric tons) ³	50.0	50.6	56.3	4.8	5.0	5.2	4.8	3.9	4.4	*4.5
	Marketing year ¹			1977				1978		
	1975/76	1976/77	1977/78	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Corn:										
Stocks, beginning (mil. bu.)	361	399	884	3,293	2,365	884	5,503	3,877	2,837	1,104
Domestic use:										
Feed (mil. bu.)	3,592	3,587	3,697	546	800	1,266	1,083	568	792	—
Food, seed, ind. (mil. bu.)	490	513	548	101	177	123	129	1102	197	—
Feed grains: ³										
Stocks, beginning (mil metric tons)	15.3	17.2	29.9	99.0	70.2	43.4	170.9	120.3	88.4	52.7
Domestic use:										
Feed (mil. metric tons)	116.1	112.6	117.0	16.7	25.7	39.1	33.8	17.4	27.0	—
Food, seed, ind. (mil. metric tons)	17.1	17.9	18.8	3.9	5.9	4.1	4.4	4.0	6.5	—

¹Beginning October 1 for corn and sorghum; June 1 for oats and barley. ²No. 3 or better, 65% or better plump beginning October 1977. ³Aggregated data for corn, sorghum, oats, and barley. *Based on Inspections for Export. P Preliminary.

Food grains:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.74	2.88	2.72	2.80	3.14	3.14	3.24	3.42	3.48	3.39
Wheat, DNS, Minneapolis (\$/bu.) ²	3.74	2.96	2.66	2.68	2.95	2.96	3.07	3.21	3.32	3.15
Flour, Kansas City (\$/cwt.)	9.25	7.21	6.60	6.49	7.60	7.58	7.55	7.60	7.92	7.79
Flour, Minneapolis (\$/cwt.)	10.41	8.34	7.34	7.20	8.25	7.94	7.82	7.90	8.40	8.14
Rice, S.W. La. (\$/cwt.) ³	17.20	14.60	21.30	24.15	20.40	18.75	15.75	16.15	16.25	16.40
Wheat:										
Exports (mil. bu.)	1,173	950	1,124	93	111	139	127	120	95	—
Mill grind (mil. bu.)	601	628	616	52	50	56	51	55	53	—
Wheat flour production (mil. cwt.)	258	275	276	23	22	25	22	25	24	—

	Marketing year ¹			1977			1978			
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	1,390	1,112	2,400	1,994	1,528	1,177	2,137
Domestic use:										
Food (mil. bu.)	541	588	588	88	193	154	146	94	192	—
Feed and seed (mil. bu.) ⁴	131	134	160	39	177	28	42	19	154	—
Exports (mil. bu.)	1,018	1,173	950	152	382	225	279	238	493	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug.	Sept	Oct	Nov	Dec
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.52	4.05	8.73	4.87	3.89	4.35	4.50	4.46
Iceberg lettuce (\$/ctn.) ¹	2.71	3.57	3.23	2.78	4.65	2.79	3.40	3.60	4.07	5.92
Tomatoes (\$/ctn.) ²	5.81	6.44	7.21	7.48	6.20	3.97	4.38	4.15	6.94	6.00
Wholesale Price index, 10 canned veg. (1967=100)										
	168	160	170	166	173	179	181	186	186	186
Grower Price index, fresh commercial veg. (1967=100)										
	173	173	195	176	221	190	202	191	169	215

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	160.0	253.6	242.3	241.2	265.6	230.5	219.7
Dried fruit (1967=100)	213.4	234.9	338.4	286.3	293.9	307.1	317.5	472.3	574.3	575.4
Canned fruit and juice (1967=100)	173.8	174.4	190.4	201.0	213.9	216.9	220.0	222.3	227.9	231.2
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	228.6	229.9	230.1	230.6	231.3	238.7	246.2
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	7.36	7.46	9.11	9.50	15.76	—	10.20	9.19	9.96	10.00
Pears, Yakima Valley (\$/box) ²	6.63	7.35	6.94	8.08	—	—	—	8.83	9.00	9.00
Oranges, U.S. avg. (\$/box)	6.76	6.72	7.44	10.49	10.63	13.40	14.50	14.30	11.23	11.63
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	6.29	9.48	10.40	13.60	9.42	6.91	6.22
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	2,710.8	72.9	13.9	11.5	1,445.5	3,449.2	3,220.2
Fresh pears (mil. lb.)	170.5	162.3	211.6	205.5	—	4.2	53.6	494.5	280.2	231.2
Frozen fruit (mil. lb.)	607.3	558.3	538.9	639.9	435.5	530.0	552.2	569.7	600.6	550.3
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	554.9	1,162.4	1,061.7	962.2	784.8	704.6	579.0

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's.

Cotton:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Dec	July	Aug	Sept	Oct	Nov	Dec
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	58.0	70.9	52.7	48.4	57.0	59.8	60.0	64.1	65.7	64.5
Northern Europe prices:										
Index (cts./lb.) ³	65.3	81.7	70.6	59.5	70.7	73.2	74.0	76.9	79.4	79.2
U.S., SM 1-1/16 in. (cts./lb.) ⁴	71.4	82.4	66.0	61.0	71.4	74.5	75.1	77.8	79.4	79.3
U.S. mill consumption (thou. bales)	7,227.7	6,674.4	6,462.5	585.7	400.2	478.6	592.7	501.7	618.4	457.9
Exports (thou. bales)	3,311.3	4,783.6	5,484.1	519.6	480.6	553.2	410.3	298.3	374.3	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ¹			1977	1978					
	1974/75	1975/76	1976/77	Dec	July	Aug	Sept	Oct	Nov	Dec
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	5.87	6.54	6.43	6.47	6.76	6.66	67.9
Crushings (mil. bu.)	701.3	865.1	790.2	86.6	70.8	73.9	71.4	89.3	89.6	96.3
Processing margin (\$/bu.) ²	.17	.16	.19	.52	.31	.32	.52	.41	.25	.43
Exports (mil. bu.)	420.7	555.1	564.1	57.0	34.7	39.3	38.0	87.6	101.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	22.6	25.9	26.3	27.8	26.7	24.9	25.8
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	931.2	782.1	815.8	783.3	984.3	974.8	1,049.3
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	655.9	601.8	733.6	626.1	785.9	787.5	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	175.6	193.9	125.6	206.0	113.5	171.2	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	766.5	834.4	820.8	777.5	728.6	813.4	829.4
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	160.10	172.00	162.90	163.90	176.80	177.10	188.75
Production (thou. ton)	16,701.5	20,754.2	18,488.1	2,044.1	1,680.6	1,757.9	1,694.6	2,114.7	2,099.2	2,261.2
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	1,518.1	1,209.7	1,315.8	1,263.1	1,640.6	1,662.2	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	520.7	399.4	470.6	422.7	477.5	507.5	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	533.9	191.1	262.6	234.1	242.9	239.5	205.9
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	36.1	46.0	45.7	48.2	47.8	48.4	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Wholesale price, N.Y. (\$/cwt.) ¹	22.47	13.31	² 10.99	—	—	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1, 2}	9,974	10,856	11,207	829	901	1,109	1,014	888	1,847	⁴ 798

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Prices at auctions:										
Flue-cured (cts./lb.) ¹	99.8	110.4	117.6	—	127.9	131.8	141.2	135.5	124.9	—
Burley (cts./lb.) ¹	105.6	114.2	120.0	118.3	—	—	—	—	132.8	131.2
Domestic consumption ²										
Cigarettes (bil.)	588.3	617.1	592.0	42.9	44.4	54.3	50.3	53.4	—	—
Large cigars (mil.)	5,692	5,266	4,829	380.8	317.5	378.0	427.5	446.4	—	—

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct p	Nov p	Dec p
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.38	201.15	143.14	143.77	156.23	156.13	151.87	142.66
Imports, green bean equivalent (mil. lb.) ¹	2,767	2,717	1,974	173	191	149	182	259	234	*240
	Annual			1977	1978p					
	1975	1976	1977	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Roastings (mil. lb.) ²	2,454	2,519	1,892	428	313	522	591	470	498	*675

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	Annual			1977				1978			
	1976	1977	1978	I	II	III	IV	I	II	III	IVp
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,700.1	1,887.2	2,106.6	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,087.5	2,136.1	2,210.8
Personal consumption expenditures	1,090.2	1,206.5	1,339.7	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,322.9	1,356.9	1,402.2
Durable goods	156.6	178.4	197.6	173.2	175.6	177.4	187.2	183.5	197.8	199.5	209.6
Nondurable goods	442.6	479.0	525.8	465.9	473.6	479.7	496.9	501.4	519.3	531.7	550.8
Clothing and shoes	75.7	81.5	88.9	78.5	79.3	81.4	86.7	82.9	87.5	90.5	94.6
Food and beverages	225.8	245.2	269.2	237.5	244.5	246.4	252.6	257.7	267.8	272.0	279.4
Services	491.0	549.2	616.3	528.6	539.4	557.5	571.1	591.8	605.8	625.8	641.8
Gross private domestic investment	243.0	297.8	344.5	272.5	295.6	309.7	313.5	322.7	345.4	350.1	359.9
Fixed Investment	232.8	282.3	328.8	262.2	278.6	287.8	300.5	306.0	325.3	336.5	347.4
Nonresidential	164.6	190.4	222.0	180.6	187.2	193.5	200.3	205.6	220.1	227.5	235.0
Residential	68.2	91.9	106.8	81.6	91.4	94.3	100.2	100.3	105.3	109.0	112.5
Change in business inventories	10.2	15.6	15.7	10.3	17.0	21.9	13.1	16.7	20.1	13.6	12.4
Net exports of goods and services	7.4	-11.1	-11.8	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5	-10.7	-6.9
Exports	163.2	175.5	205.2	170.9	178.1	180.8	172.1	181.7	205.4	210.1	223.5
Imports	155.7	186.6	217.0	179.4	184.0	187.8	195.2	205.8	210.9	220.8	230.4
Government purchases of goods and services	359.5	394.0	434.2	375.0	388.8	399.5	412.5	416.7	424.7	439.8	455.6
Federal	129.9	145.1	154.0	138.3	142.9	146.8	152.2	151.5	147.2	154.0	163.4
State and local	229.6	248.9	280.2	236.7	245.9	252.7	260.3	265.2	277.6	285.8	292.2
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,271.0	1,332.7	1,385.1	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,382.6	1,391.4	1,412.2
Personal consumption expenditures	819.4	857.7	891.2	846.6	849.5	858.0	876.6	873.5	886.3	895.1	910.0
Durable goods	125.9	137.8	144.7	134.9	136.2	136.9	143.0	137.8	145.8	144.8	150.8
Nondurable goods	320.2	330.4	339.1	327.1	327.2	329.2	338.1	333.3	336.3	340.4	346.6
Clothing and shoes	64.2	66.6	70.7	64.9	65.1	66.2	70.2	66.8	69.5	71.8	74.5
Food and beverages	158.8	165.1	165.3	163.3	164.7	164.9	167.6	165.6	164.7	164.8	165.9
Services	373.2	389.5	407.4	384.6	386.0	391.8	395.6	402.4	404.2	410.0	413.2
Gross private domestic investment	173.4	196.3	210.1	186.1	197.1	201.7	200.3	205.7	213.1	210.4	211.1
Fixed Investment	166.8	187.4	199.6	180.3	187.1	189.5	192.8	193.4	200.4	201.4	203.4
Nonresidential	118.9	129.8	139.9	126.8	129.1	130.8	132.5	133.8	140.5	141.7	143.5
Residential	47.8	57.7	59.7	53.5	58.0	58.8	60.3	59.5	59.9	59.7	59.8
Change in business inventories	6.7	8.9	10.4	5.8	10.0	12.2	7.5	12.3	12.7	9.0	7.7
Net exports of goods and services	15.4	9.5	8.6	11.2	11.0	12.5	3.1	2.9	11.3	9.2	11.0
Exports	95.9	98.2	107.3	97.1	98.9	100.8	96.0	99.1	108.4	109.0	112.6
Imports	80.5	88.7	98.7	85.9	87.9	88.2	92.9	96.2	97.1	99.7	101.6
Government purchases of goods and services	262.8	269.2	275.2	262.8	267.9	271.7	274.5	272.1	271.9	276.7	280.1
Federal	96.6	101.6	100.5	98.7	101.3	102.9	103.6	101.2	97.1	100.4	103.3
State and local	166.2	167.6	174.7	164.1	166.6	168.8	170.9	170.8	174.8	176.3	176.8
New Plant and equipment expenditures (\$ bil.)	120.49	135.80	153.09	130.16	134.24	140.38	138.11	144.25	150.76	155.41	161.24
Implicit price deflator for GNP (1972=100)	133.76	141.61	152.09	138.27	140.86	142.63	144.56	147.10	150.98	153.52	156.54
Disposable Income (\$bil.)	1,184.4	1,303.0	1,451.2	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.3	1,468.4	1,511.4
Disposable income (1972 \$bil.)	890.1	926.3	965.5	904.8	918.6	931.9	949.6	952.1	960.3	968.7	980.9
Per capita disposable income (\$)	5,504	6,009	6,640	5,772	5,934	6,077	6,250	6,387	6,566	6,712	6,893
Per capita disposable income (1972 \$)	4,136	4,271	4,418	4,185	4,241	4,293	4,365	4,370	4,399	4,428	4,474
U.S. population, tot. incl. military abroad (mil.)	215.1	216.8	218.5	216.2	216.6	217.1	217.5	217.9	218.3	218.8	219.2
Civilian population (mil.)	213.0	214.7	216.4	214.1	214.5	214.9	215.4	215.8	216.2	216.6	217.1

See footnotes at end of next table.

Selected monthly indicators

	Annual			1977	1978					
	1976	1977	1978p	Dec	July	Aug	Sept	Oct	Nov	Dec
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	129.8	137.1	—	139.7	146.1	147.1	147.8	148.6p	149.5p	150.4p
Manufacturing (1967=100)	129.5	137.1	—	140.5	146.7	147.6	148.7	149.4p	150.3p	151.2p
Durable (1967=100)	121.7	129.5	—	133.4	141.1	142.1	142.8	143.9p	145.0p	145.9p
Nondurable (1967=100)	140.9	148.1	—	150.9	155.0	155.6	156.7	157.5p	158.1p	158.9p
Leading economic indicators ¹ (1967=100)	124.7	130.9	136.7	135.4	136.1	136.8	138.1	138.7	138.0	137.3p
Employment ⁴ (Mil. persons)	87.5	90.5	94.0	92.6	94.4	94.6	94.9	95.2	95.8	95.9
Unemployment rate ⁴ (%)	7.7	7.0	6.0	6.3	6.1	5.9	5.9	5.8	5.8	5.9
Personal income ¹ (\$bil., annual rate)	1,380.9	1,529.0	1,707.3	1,609.2	1,719.2	1,731.1	1,744.7	1,768.4p	1,785.9p	1,804.8p
Hourly earnings in manufacturing ⁴ (\$	5.22	5.67	6.16	5.92	6.17	6.16	6.28	6.32	6.37	6.45p
Money stock (daily average) ² (\$bil.)	⁶ 313.5	⁶ 338.5	⁴ 361.1	338.5	354.2	356.7	360.9	362.0	360.6p	360.8p
Time and savings deposits (daily average) ² (\$bil.)	⁶ 489.7	⁶ 545.0	⁴ 607.8	545.0	579.4	583.0	589.7	593.6	605.3p	607.8p
Three-month Treasury bill rate ² (%)	4.989	5.265	7.221	6.063	7.074	7.036	7.836	8.132	8.787	9.122p
Aaa corporate bond yield (Moody's) ¹ (%)	8.43	8.02	8.72	8.19	8.88	8.69	8.69	8.89	9.03	9.16p
Interest rate on new home mortgages ⁵ (%)	8.99	9.01	9.54	9.09	9.57	9.70	9.73	9.83	9.87	10.02p
Housing starts, private (including farm) (thou.)	1,537.5	1,987.1	2,018.5	2,203	2,119	2,025	2,075	2,106p	2,155p	2,125p
Auto sales at retail, total ¹ (mil.)	10.1	11.2	—	11.2	11.0	11.9	10.8	11.1	11.0p	—
Business sales, total ¹ (\$bil.)	200.8	223.8	—	237.0	250.9	258.3	258.3	265.3	268.1	—
Business inventories, total ¹ (\$bil.)	309.2	334.8	—	334.8	359.3	362.8	364.7	367.4	371.5	—
Sales of all retail stores (\$bil.) ⁹	53.5	59.0	65.0	61.8	64.3	65.9	66.3	67.4	68.2p	68.9p
Durable goods stores (\$bil.)	17.5	19.9	22.2	20.7	21.8	22.9	22.8	23.6	23.7p	24.4p
Nondurable goods stores (\$bil.)	36.0	39.1	42.7	41.1	42.5	43.0	43.5	43.8	44.5p	44.5p
Food stores (\$bil.)	12.2	13.0	14.3	13.4	14.4	14.4	14.6	14.7	14.9p	14.8p
Eating and drinking places (\$bil.)	4.8	5.3	5.9	5.5	5.9	6.0	6.1	6.1	5.9p	6.1p
Apparel and accessory stores (\$bil.)	2.8	2.8	3.0	2.9	3.0	3.1	3.2	3.1	3.3p	3.2p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1977	1978					
	1975	1976	1977	Dec	July	Aug	Sept	Oct	Nov	Dec
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.16	3.65	2.85	3.18	3.52	3.53	3.64	3.81	3.84	3.78
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.10	2.91	2.49	2.55	2.55	2.43	2.45	2.50	2.59	2.58
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.95	2.73	2.30	2.36	2.37	2.32	2.29	2.44	2.51	2.51
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	5.72	6.07	7.38	6.31	7.08	6.81	7.05	7.15	6.97	7.13
Soybean oil, Decatur (cts./lb.)	25.39	18.05	23.69	22.64	25.87	26.31	27.80	26.70	23.71	25.80
Soybean meal, Decatur (\$/ton)	124.05	155.82	192.17	160.10	172.00	162.90	163.90	176.80	177.10	189.72
Cotton, 10 market avg. spot (cts./lb.)	44.70	67.70	60.48	48.42	56.99	59.86	60.04	64.08	65.65	64.47
Tobacco, avg. price of auction (cts./lb.)	103.50	105.73	114.24	117.90	118.84	124.00	131.60	127.30	128.20	129.20
Rice, f.o.b. mill, Houston (\$/cwt.)	21.28	16.17	16.96	24.15	21.50	19.00	16.50	16.60	16.20	16.35
Inedible tallow, Chicago (cts./lb.)	12.04	13.27	13.61	13.15	16.25	16.25	16.25	17.30	18.06	—
Import commodities:										
Coffee, N.Y. spot (cts./lb.) .....	.77	1.42	2.41	2.05	1.50	1.41	1.55	1.55	1.50	1.40
Sugar, N.Y. spot (cts./lb.)	22.47	13.31	10.99	11.75	12.63	13.29	14.40	15.17	14.23	14.25
Cow meat, f.o.b. port of entry (cts./lb.)	60.20	71.69	68.42	71.89	88.63	91.86	101.80	108.38	109.75	—
Rubber, N.Y. spot (cts./lb.)	30.60	39.59	41.59	42.58	49.91	52.21	55.05	57.69	58.97	55.70
Cocoa beans, N.Y. (\$/lb.) .....	.56	.94	1.72	1.48	1.43	1.51	1.69	1.70	1.80	1.75
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.41	4.67	5.01	4.60	4.33	4.39	4.58	4.64	4.85	5.32
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.75	1.85	1.97	1.99	1.99	1.99	2.01	2.17	2.09
Quantity Indices										
Export (1967=100)	156	174	177	214	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	123	138	138	172	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100)	221	207	210	204	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	203	217	235	217	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. not available.

U.S. agricultural exports

	October-November				November			
	1977	1978	1977	1978	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	20,651	34,268	—	—	10,963	16,096
Meat and preps., excl. poultry (mt)	64	75	98,820	146,779	34	37	52,050	74,269
Dairy products, excl. eggs	—	—	20,330	16,525	—	—	10,128	8,049
Poultry and poultry products	—	—	52,846	62,696	—	—	25,395	30,924
Grains and preparations	—	—	1,217,588	1,806,683	—	—	663,448	877,086
Wheat and wheat flour (mt)	3,532	5,771	385,577	783,301	1,611	2,543	183,775	348,382
Rice, milled (mt)	307	319	103,381	138,741	245	145	82,466	60,605
Feed grains (mt)	7,590	8,243	679,380	838,233	4,159	4,404	378,507	445,844
Other	—	—	49,250	46,408	—	—	18,700	22,255
Fruits, nuts, and preparations	—	—	227,111	298,208	—	—	98,107	130,270
Vegetables and preparations	—	—	91,233	132,691	—	—	51,134	74,472
Sugar and preps., incl. honey	—	—	8,476	10,867	—	—	4,245	5,570
Coffee, tea, cocoa, spices, etc. (mt)	8	13	22,469	41,855	4	6	10,947	18,972
Feeds and fodders	—	—	224,344	298,752	—	—	143,417	165,485
Protein meal (mt)	732	988	139,392	204,544	512	528	98,634	106,759
Beverages, excl. distilled alcoholic (hl)	1,461	3,046	1,426	2,408	1,437	3,014	559	1,201
Tobacco, unmanufactured (mt)	30	83	126,611	373,017	22	44	98,031	198,269
Hides, skins, and furskins	—	—	92,049	132,988	—	—	45,555	66,258
Oilseeds	—	—	1,096,871	1,523,430	—	—	582,826	820,986
Soybeans (mt)	4,500	5,150	968,077	1,289,631	2,387	2,767	519,987	696,474
Wool, unmanufactured (mt)	(¹)	1	3,980	8,188	(¹)	(¹)	2,026	3,157
Cotton, unmanufactured (mt)	113	149	150,007	198,388	76	81	103,690	112,917
Fats, oils, and greases (mt)	232	240	94,864	119,890	98	107	41,732	54,598
Vegetable oils and waxes (mt)	235	247	135,326	143,680	139	168	79,776	89,731
Rubber and allied gums (mt)	3	(¹)	3,344	659	2	(¹)	2,090	350
Other	—	—	98,024	118,531	—	—	55,268	56,943
Total	—	—	3,786,370	5,470,502	—	—	2,081,387	2,805,603

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports by regions

Region ¹	October-November		November		Change from year-earlier	
	1977	1978	1977	1978	Oct-Nov 1978	November 1978
	\$ Mil.				Pct.	
Western Europe	1,429	1,962	741	1,005	+37	+36
Enlarged European Community	1,159	1,560	603	780	+35	+29
Other Western Europe	271	402	139	225	+48	+62
Eastern Europe and USSR	230	220	159	105	-4	-34
USSR	132	90	104	30	-32	-71
Eastern Europe	99	130	55	75	+31	+36
Asia	1,176	1,921	718	1,015	+63	+41
West Asia	144	257	89	110	+78	+24
South Asia	49	75	28	27	+53	-4
East and Southeast Asia, ex. Japan and PRC	314	486	194	248	+55	+28
Japan	631	927	370	515	+47	+39
Peoples Republic of China	37	175	37	114	+373	+208
Latin America and Caribbean	375	659	174	367	+76	+111
Brazil	17	130	13	97	+665	+646
Mexico	196	240	57	124	+22	+118
Canada, excluding transshipments	255	284	120	133	+11	+11
Canadian transshipments	105	169	53	67	+61	+26
Africa	190	226	102	101	+19	-1
North Africa	116	114	71	49	-2	-31
Other Africa	74	111	31	51	+50	+65
Oceania	28	31	15	14	+11	-7
Total ²	3,786	5,471	2,081	2,806	+45	+35

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

U.S. agricultural imports

	October-November				November			
	1977	1978	1977	1978	1977	1978	1977	1978 ¹
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	58,402	83,500	—	—	40,418	58,507
Meat and preps., excl. poultry (mt)	92	174	145,163	367,416	39	91	62,312	193,071
Beef and veal (mt)	77	140	98,407	264,050	33	75	43,708	146,667
Pork (mt)	13	29	42,138	91,565	5	13	16,482	40,497
Dairy products, excl. eggs	—	—	43,100	70,015	—	—	19,210	39,960
Poultry and poultry products	—	—	7,173	4,852	—	—	2,181	2,759
Grains and preparations	—	—	22,243	39,198	—	—	10,702	20,196
Wheat and flour (mt)	6	17	9	31	6	17	4	9
Rice (mt)	320	128	164	199	320	128	92	78
Feed grains (mt)	28	22	2,849	2,368	14	19	1,603	2,086
Other	—	—	19,221	36,600	—	—	9,003	18,023
Fruits, nuts, and preparations	—	—	145,751	187,582	—	—	70,048	87,546
Bananas, fresh (mt)	354	385	53,973	62,499	170	174	25,730	27,482
Vegetables and preparations	—	—	66,234	79,122	—	—	29,437	35,436
Sugar and preps., incl. honey	—	—	185,067	161,773	—	—	86,632	76,820
Sugar, cane or beet (mt)	848	669	156,931	124,774	397	303	71,117	59,356
Coffee, tea, cocoa, spices, etc. (mt)	153	307	588,596	949,893	82	148	314,488	481,080
Coffee, green (mt)	96	215	374,184	646,715	58	101	221,020	317,200
Cocoa beans (mt)	13	35	57,115	103,808	5	19	20,963	63,318
Feeds and fodders	—	—	9,998	12,500	—	—	5,949	6,746
Protein meal (mt)	(¹)	(¹)	154	161	(¹)	(¹)	113	102
Beverages, incl. distilled alcoholic (hl)	7,052	13,139	73,891	153,479	2,621	6,571	28,381	80,239
Tobacco, unmanufactured (mt)	21	25	53,289	59,739	11	10	26,230	23,759
Hides, skins, and furskins	—	—	17,215	27,220	—	—	6,865	12,356
Oilseeds	—	—	8,844	7,528	—	—	4,493	4,128
Soybeans (mt)	1	0	7	1	1	0	2	0
Wool, unmanufactured (mt)	2	5	6,223	15,930	1	3	2,892	9,240
Cotton, unmanufactured (mt)	2	3	1,298	890	1	1	278	401
Fats, oils, and greases (mt)	1	2	708	1,009	(¹)	1	158	409
Vegetable oils and waxes (mt)	106	132	63,295	90,070	65	75	35,454	51,110
Rubber and allied gums (mt)	113	103	91,107	99,159	38	47	31,462	46,473
Other	—	—	81,315	99,669	—	—	36,771	51,738
Total	—	—	1,668,912	2,510,544	—	—	814,361	1,281,974

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-November		November	
	1977	1978	1977	1978
	\$ Mil.			
Agricultural exports ¹	3,786	5,471	2,081	2,806
Nonagricultural exports ²	15,096	20,868	7,439	10,611
Total exports ³	18,882	26,339	9,520	13,417
Agricultural imports ³	1,669	2,511	814	1,282
Nonagricultural imports ⁴	23,263	27,845	11,537	13,888
Total imports ⁴	24,932	30,356	12,351	15,170
Agricultural trade balance	2,117	2,960	1,267	1,524
Nonagricultural trade balance	-8,167	-6,977	-4,098	-3,277
Total trade balance	-6,050	-4,017	-2,831	-1,753

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense grant-aid shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

World Agricultural Production

World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 ¹
	Mill. units					
Wheat:						
Area (hectare)	216.6	219.9	225.0	232.5	225.6	225.8
Production (metric ton)	372.2	357.1	350.0	415.1	381.5	422.5
Exports (metric ton)	72.6	68.1	73.7	69.9	75.3	73.1
Consumption (metric ton) ² . . .	364.0	363.1	352.2	379.8	399.0	407.3
Ending stocks (metric ton) ³ . .	70.3	63.6	63.0	98.4	80.8	95.9
Coarse grains:						
Area (hectare)	341.6	341.6	349.5	352.0	350.5	350.3
Production (metric ton)	667.8	628.0	644.4	702.1	693.8	732.4
Exports (metric ton)	80.9	68.9	87.8	88.6	95.6	89.5
Consumption (metric ton) ² . . .	672.2	632.6	646.3	681.6	688.0	709.0
Ending stocks (metric ton) ³ . .	63.9	57.9	55.9	76.4	82.2	105.6
Rice, rough:						
Area (hectare)	135.8	138.0	143.1	141.5	143.4	145.8
Production (metric ton)	330.9	336.8	360.6	349.1	366.2	376.5
Exports (metric ton)	11.4	11.0	11.9	14.5	13.2	13.8
Consumption (metric ton) ² . . .	328.4	336.7	352.1	350.6	359.9	371.5
Ending stocks (metric ton) ³ . .	17.9	18.2	26.7	25.2	31.6	36.6
Total grains:						
Area (hectare)	694.0	699.5	717.6	726.0	719.5	721.9
Production (metric ton)	1,370.9	1,331.9	1,355.0	1,466.3	1,441.5	1,531.4
Exports (metric ton)	164.9	148.0	173.4	173.0	184.1	176.4
Consumption (metric ton) ² . . .	1,364.6	1,332.4	1,350.6	1,412.0	1,446.9	1,487.8
Ending stocks (metric ton) ³ . .	152.1	139.7	145.6	200.0	194.6	238.1
Oilseeds and meals: ⁴ ⁵						
Production (metric ton)	68.3	64.3	72.8	66.4	78.8	83.7
Trade (metric ton)	27.3	27.5	33.6	33.6	38.4	40.7
Fats and oils: ⁵						
Production (metric ton)	47.4	46.2	49.7	47.8	52.7	55.0
Trade (metric ton)	13.6	13.8	15.8	16.4	18.1	19.0
Cotton:						
Area (hectare)	32.8	33.4	29.8	30.8	32.6	31.6
Production (bale)	63.2	64.3	53.9	57.4	63.5	59.4
Exports (bale)	19.6	17.4	19.3	17.6	18.9	19.8
Consumption (bale)	62.0	58.3	61.0	61.0	60.8	61.9
Ending stocks (bale)	25.1	31.3	24.2	21.0	24.2	21.3

¹ Forecast. ² Where stock data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1974 data corresponds with 1973/74, 1975 data with 1974/75, etc..

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